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AMERICAN SOCIETY OF INSURANCE MANAGEMENT

VOL 7 1

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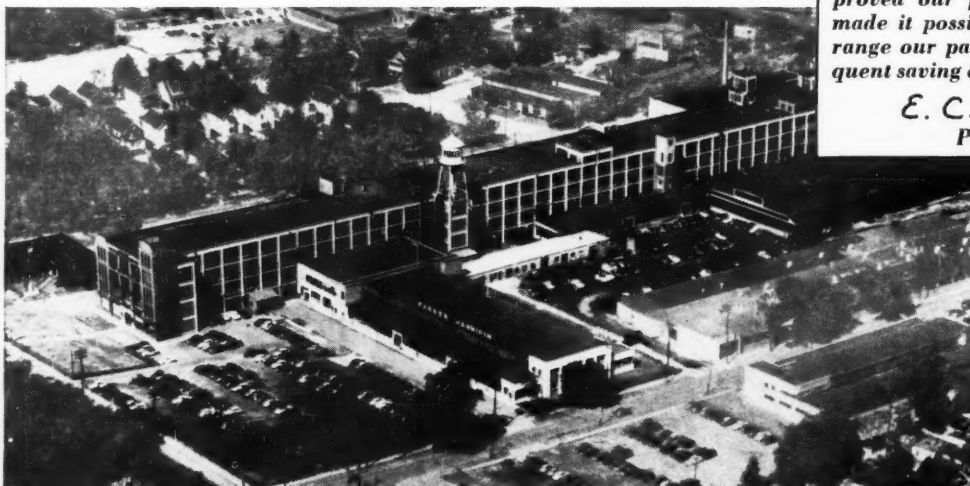
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Linda Burke, Editor
Eight West Fortieth Street, New York 18, N. Y.

We Honor . . .

THE PART-TIME INSURANCE BUYER . . .

At the Fourth Annual Insurance Buyers Conference, sponsored by Southern California Chapter, American Society of Insurance Management, Inc., on October 14, 1959, at Los Angeles, a good portion of the program was devoted to "Tips for the Part-Time Insurance Buyer."

In this issue of The National Insurance Buyer we honor those men and women who are so-called "part-time buyers" and to the staff members of the corporate insurance department whose efficiency and accuracy has contributed much to the success of a well organized Corporate Insurance Department.

About the cover . . .

The Editor's conception of a part-time insurance buyer and/or staff member of a Corporate Insurance Department.

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The National Insurance Buyer, a publication of the American Society of Insurance Management, Inc., does not assume responsibility for the points of view or opinions of its contributors. It does accept responsibility for giving them an opportunity to express such views and opinions in its columns.

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ASIM

Welcomes Toronto as the 24th Chapter

The American Society of Insurance Management, Inc., welcomes the Toronto Insurance Buyers Association as the 24th chapter of ASIM, and the second chapter in Canada (the other is Montreal).

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Member companies of the Toronto Insurance Buyers Association, ASIM and the representative to the national Board of Directors of ASIM will be announced in the March issue of The National Insurance Buyer.

Tips . . .

for the

Part-time Buyer

William A. Miller, Insurance Manager, Richfield Oil Corporation at Los Angeles, California, prefaced that portion of the Fourth Annual Insurance Buyers Conference (sponsored by Southern California Chapter, ASIM) devoted to the *Part-time Insurance Buyer* with these remarks:

"Let's get our terminology straight . . . What is a part-time buyer? A part-time buyer is generally conceded to be some individual in the organization who the president considered had sufficient time to do more than he was doing and, therefore, was given the task of looking over the insurance portfolio.

This individual may or may not have had any insurance education or enlightenment prior to being given this additional responsibility, or it may have been that the individual asked for this task for he could see in his accounting work and allied activities with the company that this job offered certain remuneration through having a better idea of the company's activities and, because no one was looking after it properly he thought he could do the task — and so there is NO definition for a part-time insurance buyer.

All of us are part-time insurance buyers — all of us carry insurance policies of some form — personal policies to be sure, and during each year we must sit down and cogitate as to whether or not we are getting the most for our money.

We kick with everyone else when automobile rates go up and we have to explain to our wives why fire insurance does not drop every year even though our houses and homes become a year older.

It is my belief that by the time this session is over, you will see that the time a person devotes to this job of a part-time insurance buyer is not the criteria of whether or not he is in fact a part-time insurance buyer, but rather there is no such thing as a part-time insurance buyer.

You cannot do this job half-way. Each time that a policy is renewed, each time the analysis is made as to whether or not coverage is required, a full-time job has been accomplished, and this idea of a part-time insurance buyer, I am sure, will be eradicated by the end of this session."

"I believe the point will be amply made that a part-time insurance buyer needs to have all of the foresight that one would associate with a full time insurance buyer. That there really is no such thing as a part-time insurance buyer; that the job of handling today's insurance be it corporate or personal requires the utmost attention, cooperation and coordination and that is the reason why the American Society of Insurance Management Inc. firmly believes in the insurance triangle — the buyer, the agent or broker and the underwriter and that it takes all three points of the triangle, operating effectively, in order to properly write insurance."

From a BUYER . . .

"Tips for the Part-time Insurance Buyer"



Herbert E. Smith

Herbert E. Smith is the Insurance Manager for Graham Brothers, Inc., one of the largest sand and gravel aggregate suppliers in Southern California.

Born in Eugene, Oregon, Mr. Smith came to California in 1921 and attended schools in Pasadena, the University of California at Berkeley, and has a B.S. degree from the College of Commerce with a major in accounting.

Herb Smith was employed by Graham Brothers on July 1, 1936, as an accounting clerk and he has never had another employer. He reports to the Treasurer of the company and receives special assignments for investigation, and analysis of operations, in addition to being responsible for all of the risk management of his company.

by

Herbert E. Smith

Insurance Manager

Graham Brothers, Inc.

El Monte, California

Today in industrial management we perhaps find more buyers of corporate insurance who are part-time buyers than we do the full-time buyer. Therefore, the buyer of insurance who spends only a part of his or her time has an important place in the field of corporate insurance management.

For our purpose we shall define the part-time buyer of insurance as the person assigned the responsibility of protecting his company's interest by insurance. This assignment is in addition to *other multiple and varied duties*. The background or training of this person may be in accounting, safety engineering, business administration, etc. He has had little or no technical training in the field of insurance.

After he has been given this assignment, the part-time buyer's first problem is to determine the company's policy regarding insurance. The new part-time buyer may have only a file of insurance policies tucked away in a drawer or a safe some place in the office. The company may have a very comprehensive insurance manual which

tells the buyer exactly what the company policy is regarding insurance, and it may even set up the procedures to be followed. These are the two extremes that the new part-time buyer may encounter or he may have a set-up which would fall in between these extremes.

At this point we must make clear the meaning of the terms, "company policy" and "company rule." Company policies are the principles around which management expects decisions to be made. Company rules tell one what, when or how to do something. It is therefore important that the buyer understands the policy of the company as he is assigned the responsibility of protecting its assets by insurance. If there is no written policy for his review, then he should confer with his immediate supervisor regarding this matter in order to learn the company policy. He cannot possibly protect the company interests if he does not know and understand the principles of protecting these interests as a result of management decisions.

(More on page 16)



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From a GENERAL AGENT . . .

"Tips for the Part-time Insurance Buyer"

by
George K. Ross
President
Thomas V. Humphrey, Inc.
Los Angeles, California



George K. Ross

George K. Ross was born in Wyoming but spent all but a few months of his life in Los Angeles and has resided in Glendale, California, for the past nineteen years.

He began his insurance career in 1932 with the Mutual Life Insurance Company of New York. Then he became associated with Cosgrove & Company for 3 years.

In 1938, Mr. Ross joined Thomas V. Humphrey, Inc. and in 1954 was elected president of the company.

Too often the broker is considered a thorn in the side of both the buyer and the company. A man bound by ridiculous rules, according to the buyer — a man who wants to break sensible rules, according to the company. An ideal broker would be endowed with the wisdom of Solomon, the tranquility of Buddha, the patience of Job and the foresight of Jules Verne, with maybe a dash of Merlin the Magician and King Midas.

These are the same qualities a young girl looks for in a husband and you have exactly the same chance of finding this ideal broker as she ever had of finding an ideal husband. But marriages survive with less than perfect husbands, present company excluded.

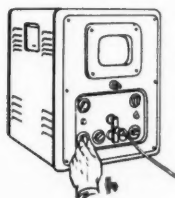
Choose your broker with extreme care and for ability above all. Your job and reputation may one day hinge on how well your broker has done his job, so in choosing a broker, can you afford to use your position as buyer to discharge an obligation or to curry or bestow favors? If your firm uses a credit reporting service, why not use it to learn about a broker you con-

plate dealing with? He won't, or at least he shouldn't, mind being investigated as to how he is regarded by the companies he deals with and by others in the business. Only when you are satisfied that a broker is hard working, honest and intelligent and that he has a high professional standing, should you place your business with him.

After you and your employer have concluded, in a general way, what insurance your firm needs, and can afford, give all your facts to your broker and when he needs more information, give him definite answers. He can't do his best for you when he is told that your equipment cost \$25,000.00 but your accountant has depreciated it on the books to \$10,000.00 so you want it insured somewhere in between. You must give him exact figures — a crystal ball is *not* standard equipment in a broker's office. Since you aren't psychic either, this problem can be solved by an insurance appraisal. Appraisals are to the insurance business what X-rays are to doctors — they give you the picture in black and white to study and in-

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**It takes
strong eyes to
see through
steel**

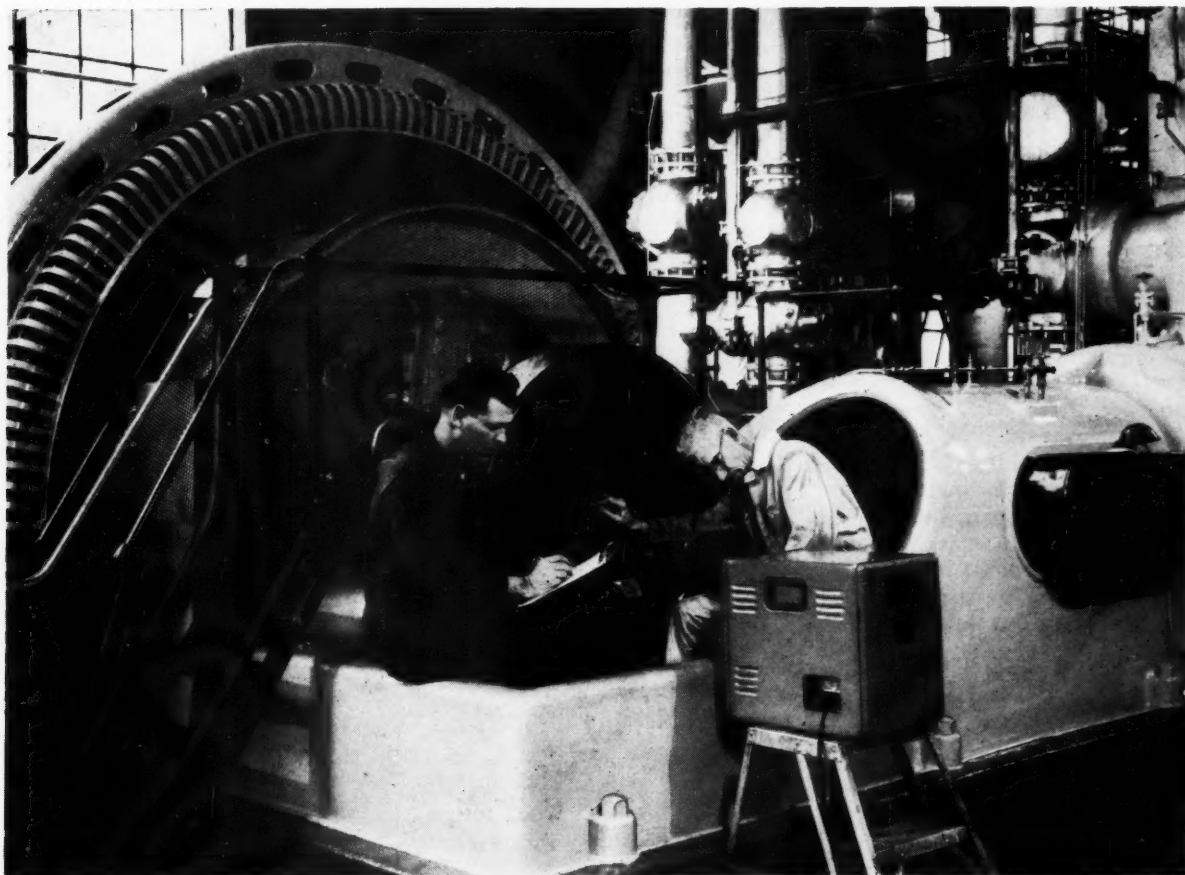


And it takes a lot of know-how to understand what you see. This Hartford Steam Boiler inspector has both. The eyes, in this special case, are furnished by an instrument that employs high-frequency sound waves in looking for a suspected hidden crack in the shaft of a large compressor. The know-how comes from years of training and experience in the highly technical field of power machinery inspection.

The Hartford Steam Boiler Inspection and Insurance Company is the acknowledged world leader in the specialized business of insuring and safeguarding power equipment. Its 600 Field Inspectors, located strategically throughout the country, are highly trained as specialists in spotting potential trouble wherever it may be . . . in boilers and pressure vessels, turbines, engines, electrical and refrigerating equipment.

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8

THE HARTFORD STEAM BOILER
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From a COMPANY UNDERWRITER . . .

"Tips for the Part-time Insurance Buyer"

by

Ralph Smith

**Resident Vice President
Pacific Indemnity Company
Los Angeles, California**

There is an old saying to the effect that "if you don't know all about the merchandise, be sure you know the merchant".

As insurance buyers, your merchant is the broker or agent you have chosen to handle your insurance problems for you, and if this choice has been made with the same care that your organization otherwise uses in the successful conduct of its business there is little that an insurance underwriter can share with you in the way of tips that your merchant has not already explained to you.

However, as an underwriter, there are two principal areas that can never be over-emphasized, and I would like to explore these with you particularly since these are basic and will be with us tomorrow as they have in the past and are today.

Stability

When I entered this highly exciting business of ours, longer ago than I care to remember, the first thing that was pounded into my head was that from time to time insurance companies failed. This was and is bad for the industry and the insurance buying public.



Ralph Smith

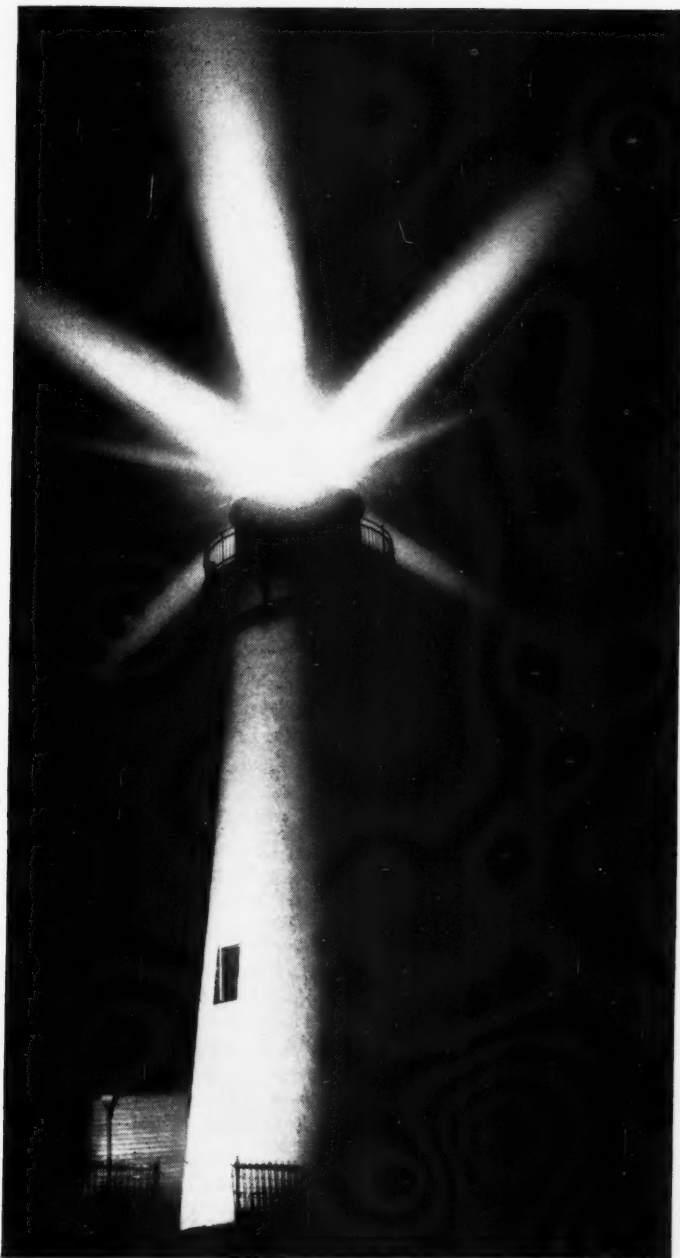
Ralph Smith spent his insurance career with the Pacific Indemnity Company and its predecessor organization, Sweet & Crawford — from March 1935 to date.

He is Resident Vice President of Pacific Indemnity Company in Los Angeles as well as Manager of the Automobile and Casualty Department of the company.

My tutors took great care to show me the intricacies of an insurance company financial statement, and supplied me with a list of all of the organizations that had failed to make the grade over the past decade. At that time, while considerably smaller, the company that I represent had, and has always had, an excellent financial position; and it was and still is true that we are most proud to display and explain this statement. The West was just beginning to emerge as a factor in the insurance business, and the buyers and public had to be convinced that your company had financial stability even though it was not domiciled in Hartford or New York.

One of the desk drawers was filled with the latest report, and hardly a day went by without a call for the latest statement from a producer or a buyer. The other day we received formal bid specifications from a large political subdivision that did not request the latest financial statement, although there were certain requirements to meet an insurance company rating by Best's that would probably guarantee delivery of bids from

(More on page 24)



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From a COMPANY UNDERWRITER . . .

"Tips for the Part-time Insurance Buyer"

by
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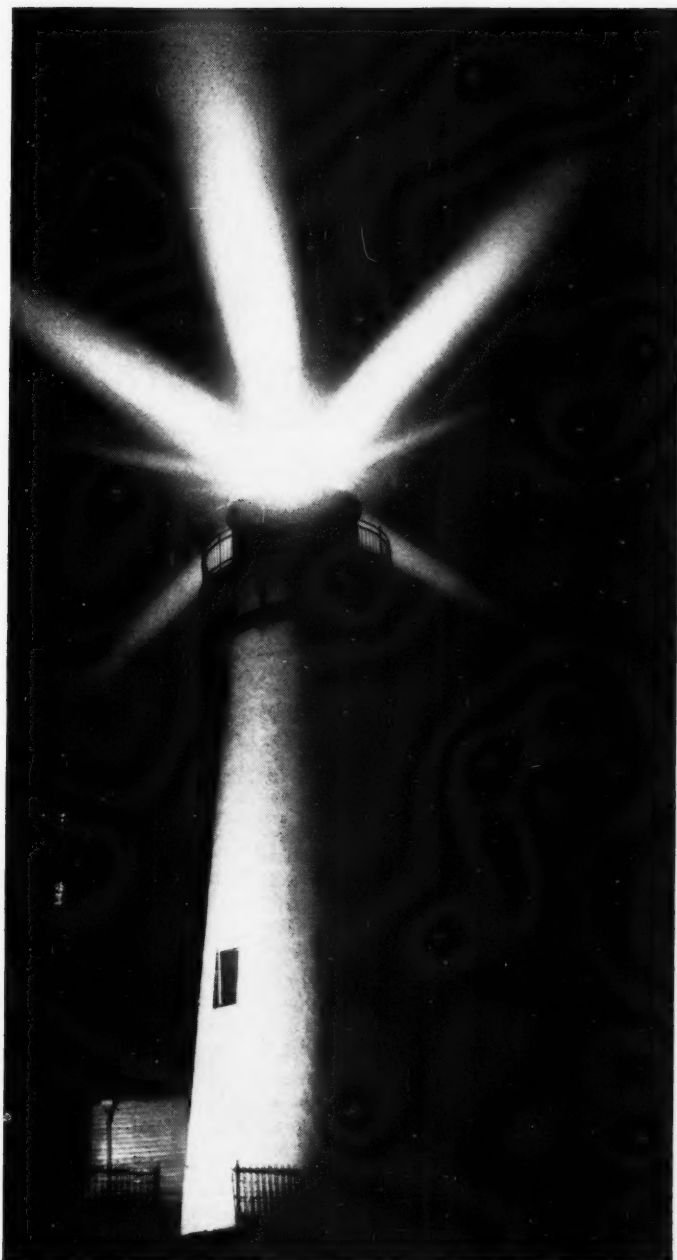
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Insurance Regulation

in

The United States

by

Honorable Robert B. Meyner
Governor — State of New Jersey

(Address before Insurance Conference Sponsored by Delaware Valley Chapter, ASIM — October, 15 1959)

I am glad to be asked to talk before The American Society of Insurance Management, — a society composed of executives who are actively engaged in the management of insurance programs for your respective corporations. As such, you are necessarily interested in the broad questions concerning the regulation of insurance companies in the United States. In your dealings with these companies, you want not only to get the best possible rates but to make sure that, in event of losses, your claims will be paid promptly and fully. You know that the success of these aims is largely dependent on public regulations of the policies and practices of insurance companies. As Governor of New Jersey, I am intensely interested in the quality of regulation performed in my own State; moreover, I am interested in recent developments of profound importance that effect insurance company regulation in all of the 50 states.

It can be said without exaggeration that state regulation of insurance is on trial. It is under severe scrutiny. If state regulation does not pass the tests that are being laid before it, there is a possibility that it will be superseded by Federal regulation. Let me say right here that I prefer sound regula-

HONORABLE ROBERT B. MEYNER, The Governor of the State of New Jersey, received his A.B. Degree from Lafayette College in 1930, and LL.B. Degree from Columbia University Law School in 1933. He was admitted to the New Jersey Bar in 1934 and qualified as a Counsellor-At-Law in 1937. During his senior year he was Editor of the college newspaper, *The Lafayette*.

He started practicing law with a legal firm in Jersey City, later on developing a large general practice of his own in Phillipsburg, his hometown.

He was commissioned an officer in the U. S. Naval Reserve in 1942, rising to Commander by Presidential temporary appointment in 1957. In 1944 and 1945 he commanded gun crews on vessels in the American and European Theaters.

Having acted as Counsel to his home county of Warren, he was elected State Senator in 1948 and Governor in 1953, being re-elected in 1957.

Governor Meyner is a member of the Warren County Bar and American Bar Associations, and many clubs and organizations. Honorary Awards were conferred on him by Lafayette College, State University of New Jersey, Stevens Institute of Technology, Princeton University and others.

tion at the state level. For many years, we in this country have witnessed a shift of power from the states to the Federal Government, to the alarm of many citizens who fear that the Nation is undergoing a subtle change away from the principles of local self-government

into a form of federal empire. In many cases, this is caused by the tendency of the states to neglect or abrogate their rightful functions, thus inviting Washington to step in and fill the vacuum. We have seen it happen in many areas of government; it *could* happen with regard to the regulation of insurance.

Now, in the interest of clarity, let me go back for a moment to sketch in some historical background. In 1869, in the case of *Paul vs. Virginia*, the United States Supreme Court held that the "business of insurance is not commerce" and hence not subject to regulation by Congress. This rule prevailed for three quarters of a century and, under it, the states moved, each in its own way, to exercise control over insurance companies. But in 1944 came what many regarded as a judicial bombshell. In that year, in the case of the Southeastern Underwriters, the Supreme Court reversed *Paul vs. Virginia* and held that the business of insurance is indeed "commerce" and, therefore, subject to Federal regulation.

The Southeastern decision caused consternation among insurance company officials. In the words of Professor Edwin W. Patterson of Columbia University, a noted au-

(More on page 12)

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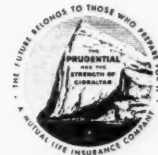
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Insurance Regulation — Meyner

(From page 10)

thority on insurance law, "they feared that the not-too-uncomfortable regime of state regulation, wholly invalidated, would be wholly superseded by a set of regulations enacted in Washington under a New Deal administration. It is not surprising that some insurance company counselors developed ulcers."

Their fears, however, were not entirely justified. A scholar came to the rescue in the person of another Columbia Professor—Noel T. Dowling—who set forth the principle of congressional consent. He argued that Congress, either expressly or by implication, may consent that the states should regulate some phase or activity of interstate commerce, and that state regulation is not invalidated by the mere fact that it regulates such commerce. Professor Dowling's theory was soon to be tested — successfully. It came when the Supreme Court upheld the conviction of an unlicensed person who acted as agent for an out-of-state insurer which had no authorization to do business in California.

While this decision allayed a good many fears, a more definite declaration of national policy was needed. It came in the form of

the McCarran-Ferguson bill, now known as Public Law 15, passed by Congress and approved by President Roosevelt on March 9, 1945. The first section of the new act proclaimed:

"... that the continued regulation and taxation of the business of insurance is in the public interest, and that silence on the part of Congress shall not be construed to impose any barrier to the regulation or taxation of such business by the several states."

Public Law 15 thus embodied the principle set forth by Professor Dowling and represented for him an intellectual triumph of the first order. The effect of the act was to confirm the prior situation of state regulation, but with certain important reservations, such as that the Sherman Act, the Clayton Act and the Federal Trade Commission Act are to apply to the insurance business "only to the extent that such business is not regulated by state law". But it granted a moratorium of three years, until January 1, 1948, during which those acts should not apply to the business of insurance.

Now let us move to the present day. One year ago, every insurance commissioner in the country got a letter from Senator O'Mahoney of Wyoming, Chairman of the Antitrust and Monopoly Sub-

committee. The Senator's letter pointed out that 10 years had elapsed since the expiration of that moratorium, and Congress has determined on a comprehensive review of state regulation to learn how effectively the states have administered their trust.

The Senator's letter was accompanied by an elaborate questionnaire inquiring into every phase of state regulation, from qualifications of staff members to particulars on how insurance laws are enforced. Soon thereafter hearings began and, as you know, they are still going on. When Senator O'Mahoney had to drop out because of illness, his place was taken by Senator Kefauver. Both men are well known to have strong views against monopolistic practices, but neither as yet has taken an extreme view concerning state regulation. After I spoke on this subject last year in New York before the National Association of Mutual Insurance Companies, I got a letter from Senator O'Mahoney.

He enclosed a speech he had prepared which contained this statement: "I can say now, as I have said repeatedly, that the Senate subcommittee now engaged in a study of the insurance industry has no desire whatever to supplant state regulation. I have no hesitation in saying, however, that no attempt by the managers of any

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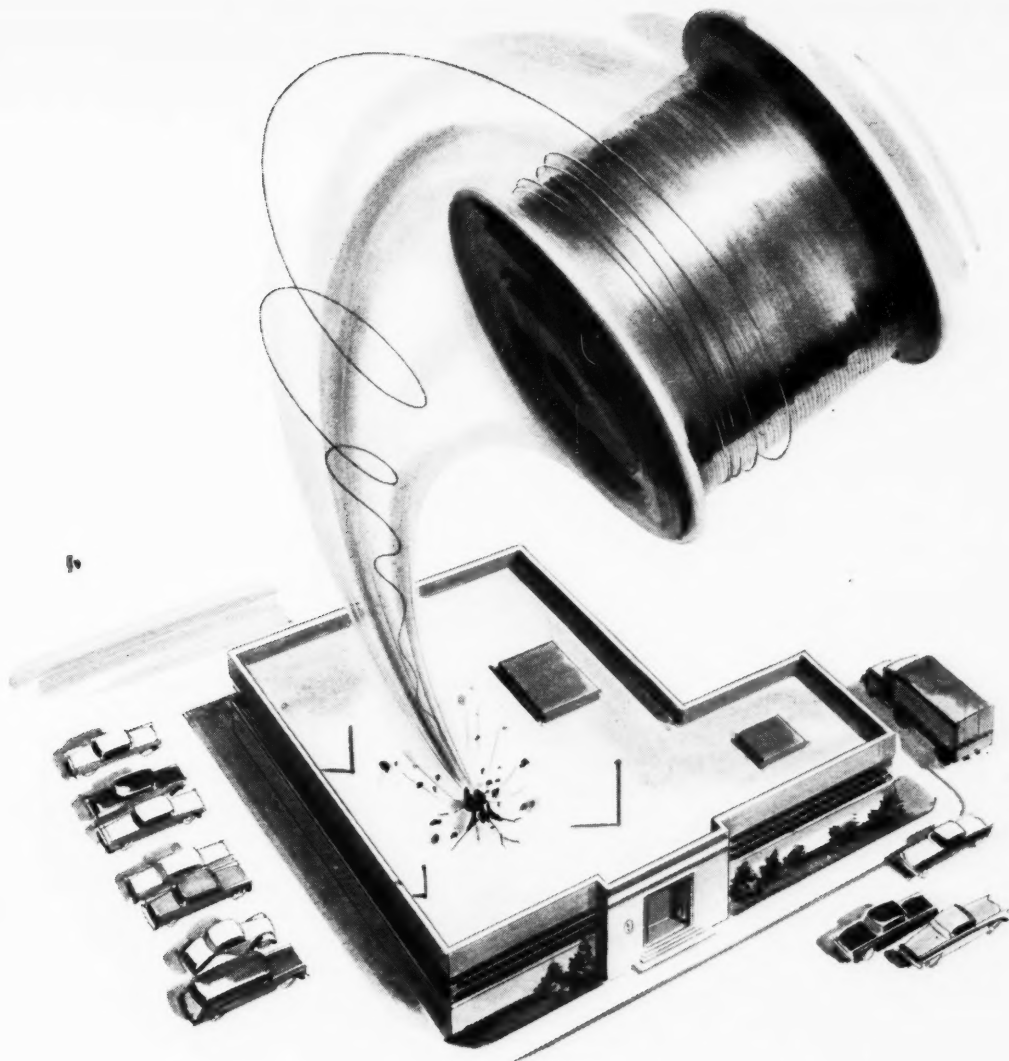


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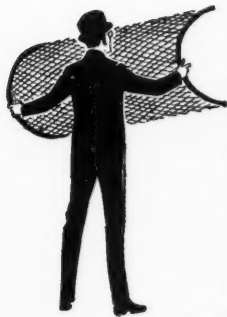
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And how the friendly AM man's down-to-earth advice helped set up a vital safeguard for a "safety-conscious" policyholder.

The heavy spools on the cable-winding machine were whirling away at speeds over 1600 revolutions a minute.

Suddenly there was a loud "whoosh" as one of the spools spun from its cradle, crashed like a rocket through the roof, and plummeted finally to the street. Somehow the automatic locking device on the spool had failed. Fortunately, the only damage was to the roof. But to prevent a recurrence that could cost a life or limb, an AM Safety Engineer was called in. After study of the complete operation, and with his advice, a special guard was installed, equipped with micro-switches to instantly stop the machine if the guard is opened and to prevent its operation if the guard is not closed.

Unusual as this case was, it's not unusual for AM policy-

holders to profit regularly by teaming up with American Mutual Safety Engineers. In fact, over the past 5 years, this policyholder has enjoyed insurance rates 25.9% less than the average for the industry and further reduced costs through American Mutual dividends.

If such savings make good sense to you, why don't you call in the friendly AM man, too. Remember, he can advise you on all your liability insurance needs. American Mutual, Dept. NB-1, Wakefield, Mass.



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Insurance Regulation — Meyner

(From page 12)

branch of insurance to take regulation into their own hands is justified by any provision of constitutional or statutory law". I am informed by Commissioner Howell of the New Jersey Department of Banking and Insurance that a similar statement was made by Senator Kefauver at the close of hearings this past summer.

Meantime, the Senate committee has distributed Questionnaire No. 2 to obtain information on rate regulatory activities in many kinds of insurance. It is a formidable document and it is now taxing the brains and energies of insurance departments in all the states. The interest of the subcommittee, as revealed in hearings this year, has been concentrated on fire insurance rates. The subcommittee seems to believe that there should be a liberalization of rules to permit greater deviation from the schedules advanced by rating bureaus and accepted by companies and by state regulators. This, of course, is to create a more competitive situation. The committee seems to take a dim view of the practice in some few states — it is not necessary for me to name them — where there is very tight rating control and deviation is frowned upon.

Observers at the hearing feel that the committee is leaning toward the idea that the job of rating bureaus should be confined mainly to studies of loss experience, rather than to include in their calculations expenses of doing business, since these expenses vary widely from company to company. I am not, however, going to be tempted into a discussion of the infinitely complicated business of rate structures. I understand there are more than 600 classifications of fire insurance alone, and I think all of us must sympathize with the immense task of rating bureaus and companies and regulatory commissions in producing answer to all the questions presented by the establishment of fair rates.

I will say only — and this on advice from my own New Jersey Department — that rate regulators must tread a tightrope. They must arrive at rates to policyholders that are not excessive and that allow fair competition among companies. At the same time, they must have consideration for company solvency. In the past, there have been rate wars which, in the end, sank policyholders and insurance companies alike. How to steer a course between excessive rates to policyholders and insurance company disasters is, in truth, a matter for the finest scruples and fastidious judgment on the part of insurance company regulators.

Now, it might be said that Public Law 15 granted a reprieve or parole to state regulation, subject to good behavior. Bernard R. Stone of the Mutual Benefit Health and Accident Association, speaking last year at Michigan State University, put it this way: "Make no mistake about it: Public Law 15 is no bomb-proof shelter for state regulation. The only real security for the state lies in demonstrated performance, and not mere passage of laws." To the same effect, if I may quote Senator O'Mahoney again, is his statement that Public Law 15:

"... does not legalize monopoly. It does not deprive the states of the power to regulate. It does not repeal the anti-trust laws. On the contrary, it was an invitation to the states to regulate the insurance industry, and it does not sacrifice the power of Congress to regulate insurance in the field of interstate and foreign commerce if state regulation fails to protect the public interest."

At this point, I might say that, over the years, much progress in state regulation has been achieved through the National Association of Insurance Commissioners. Through that body, a great deal has been done to build solid foundations for the industry. Experience has shown that the several states can pool their best talent to solve problems common to all while retaining the flexibility essential to meet local needs.

I might also say that, before and after passage of Public Law 15, specific advances have been made. For example, all states now have practical rate regulation in the field of fire and casualty insurance. Various states have moved to deal with interlocked controls which are forbidden by the Clayton Act. Every state, I believe, has or will have a fair trade practices act. The states have begun to deal with the mail order business by the passage of laws for the service of process on "unauthorized insurers," buttressed by the Supreme Court decision in *McGee vs. International Life*. These are statutory mechanisms to make it possible for an insured or other claimant to sue the out-of-state mail order company without being put to the burdensome expense of going to court in the home state of the company. In these and many other aspects of insurance, the states have moved to guard the principle of state regulation against federal intervention.

Now, what conclusions can be drawn from the situation as it now stands? It is plain that many phases of insurance regulation are still in a kind of no-man's land, awaiting not only statutory action but judicial interpretation. It is plain, too, that the whole issue of state versus federal regulation is in a condition of flux, and that the tide could turn either way, depending on the skill, character and performance of the protagonists.

In my own state, two years ago, a legislative inquiry showed that New Jersey insurance laws were defective in certain important respects, and I turned to Professor Patterson, whom I mentioned earlier in this talk, to offer recommendations. As a result, I am glad to say that last year the Legislature passed, and I signed a number of bills, including one that permits the Commissioner of Banking and Insurance to remove, after due notice and hearing, an insurance company officer or director who is found to be dishonest or untrustworthy. The Legislature, after considerable delay, created a study commission to undertake a general revision of our insurance statutes.

(More on page 30)



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A property owner may base his estimate for fire insurance on book values, general price trends, square foot and cubic foot estimates of cost, or on personal opinion, with depreciation computed merely on the basis of age. Such estimates often lie dormant for years, except for adding the cost of new property.

Factual data needed

So long as nothing happens, the property owner may become complacent. But time does not immunize a property against hazards. Disasters strike without warning. If the insurance is far short of value, it is too late to increase it. Book costs, price trends, general estimates do not provide convincing evidence of value. The insurance manager finds he must submit a proof of loss detailing the property destroyed or damaged and the value of each item. If property records are incomplete or inaccurate, it may be impossible to prepare a satisfactory proof of loss.

Settlement may be less

Such a lack of adequate records will generally work to the disadvantage of the insured, for the adjuster cannot be expected to pay improperly supported claims. The owner may receive a settlement which he deems "satisfactory," but it may fall far short of the amount to which he may have been entitled and which he could have collected had he maintained complete property records and adequate insurance.

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Tips — Herbert E. Smith

(From page 4)

After the buyer has determined the company policy regarding insurance, he should then delve into the area of his responsibility. The assignment may have been made in a vague sort of way, such as, "Joe, since we think you have time to take care of our insurance, we are going to turn this responsibility over to you." This may be all the instructions the new buyer receives at the time of his added assignment.

Again, there may be available to him an insurance manual as a guide, but often he can only try to ascertain the procedure of his predecessor. If the new part-time buyer is not careful and diligent, he may end up as a "renewer" of current policy coverage. He should confer with his superior and top management to determine the exact scope of his duties or responsibilities. When this has been done, the part-time buyer will then have a basis for his future decisions and actions.

If there is no record of insurance coverages other than the file of policies and perhaps the accounting department prepaid insurance register, the new buyer should prepare an analysis of present coverages. These should include:

- Policy Number and Underwriter
- Term and Expiration Date
- Limits
- Rate and Basis
- Premium
- Broker or Agent
- Coverage (brief summary)
- Special Clauses or Endorsements

After this record has been prepared, various summaries may be made, such as:

- Types of Coverage
- Underwriters
- Brokers or Agents
- Premiums and Due Dates

With this analysis and summary of the buyer's purchased insurance coverage, he is now better able to make a study of risks or exposures to which the company is subjected. This survey should be very carefully prepared by the buyer and a

summary made showing (1) the risks insured and (2) the risks assumed by the company. This summary should cover all the risks, such as:

- Bodily Injury Liability of other than employees
- Property Damage Liability of others
- Workmen's Compensation and Employers Liability
- Products Liability
- Material Damage to owned property
- Burglary and Robbery
- Destruction of Records
- Advertisers Liability
- Forgery
- Cargo
- Credit
- Inventory
- Aviation
- Nuclear Energy
- Contractual Liabilities

This may appear to be a staggering task to the part-time buyer as he assumes the responsibility of insurance protection for his company, remembering that in most cases he has had little or no technical training in this field. He should not become discouraged for he has technically trained people available to assist him in preparing these studies of coverages and exposures.

The Role of the Broker

First, there is the broker's representative and the specialists on the staff of the broker who are available and willing to assist the buyer in all matters of insurance coverage, surveys, claims, loss prevention, counseling, etc. The new part-time buyer must become well acquainted with these people and call upon them when he has the need of their technical knowledge and skills. He should not hesitate to give his broker's representative every opportunity to study his operations, procedures and methods. The representative should be furnished with information such as:

1. Schedules of properties
 - (a) Owned land, vacant or occupied
 - (b) Leased land, vacant or occupied

(More on page 18)

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Tips — Herbert E. Smith

(From page 16)

- (c) Plants and buildings, owned, leased, occupied or vacant
- 2. Schedules of motor vehicles
- 3. Payroll, by code classifications

This is only a partial list, but it should be understood that the buyer must furnish the broker with detailed information and surely with information that is not normally distributed to outsiders.

The broker should also be of assistance in contract review. I refer here primarily to a sales contract or construction contract. The broker must be informed what the buyer's company is assuming as to contractual liability in order to furnish the company with the proper protection that is required under management's policy of insuring risks. The terms of such contracts also have certain insurance requirements that become quite difficult to fulfill. With the broker's representative having full knowledge of such items, it gives the part-time buyer assistance in seeing that it is properly covered.

The broker's representative may also be of assistance in loss prevention. He has many contacts through his clients and can and will give help in this area. Not only can he give direct aid in this matter, but he can refer the part-time buyer to buyers with similar problems. It is in this whole area of prevention that the broker is able to help keep the loss ratios down and as a result, the insurance rates may be maintained at a reasonable level.

In the event a loss does occur, the broker's representative can be of great assistance in preparing reports and processing the claim. He knows and understands the underwriter's requirements, the procedures to be followed and the reports to be prepared and submitted. He also knows the underwriter's people who handle the claims and can act in behalf of the part-time buyer in presenting the claim.

There may be a question of how much time a part-time buyer should make available to the broker's representative. This of course is a

"sixty-four dollar question" and the answer depends on many things. If the buyer has no technical knowledge when he is given the assignment, then he must find time or take time to review all these matters with the broker. During the first year of this new assignment more time will be required than in subsequent years, all else being equal. Many of the detailed analysis and studies of the insurance program will be made the first year if the buyer has to start from "scratch" and develop a workable insurance summary of coverage and an analysis of risks, insured and uninsured. It appears from this that the part-time buyer must lean heavily upon the broker for assistance. The buyer knows the company policy regarding insurance and must impart this knowledge to the broker in order to properly protect his company's interests, and he can do this only by the closest cooperation with the broker.

The Role of the Underwriter

In addition to the close assistance of the broker, the buyer should be able to have some contact with the underwriting people. There are safety engineers, risk analysis engineers, etc. who are available when a new problem of risk raises its ugly head. There are times, also, when a risk is hard to describe to an underwriter sitting in his "high ivory tower." He may have an entirely different conception of the risk from a written description submitted by the buyer and broker than actually exists. For example, we had material damage coverage of contractor's equipment concentrated at one location. Among these units of equipment were some large cranes and rock loading equipment on the beach level of a quarry. Until we were able to show the underwriter people what equipment was there, what it did and how we took every measure to protect it from loss, they were unhappy about the situation. When they knew what we were talking about by actually observing the operation, the relations among the three principals, the

(More on page 20)

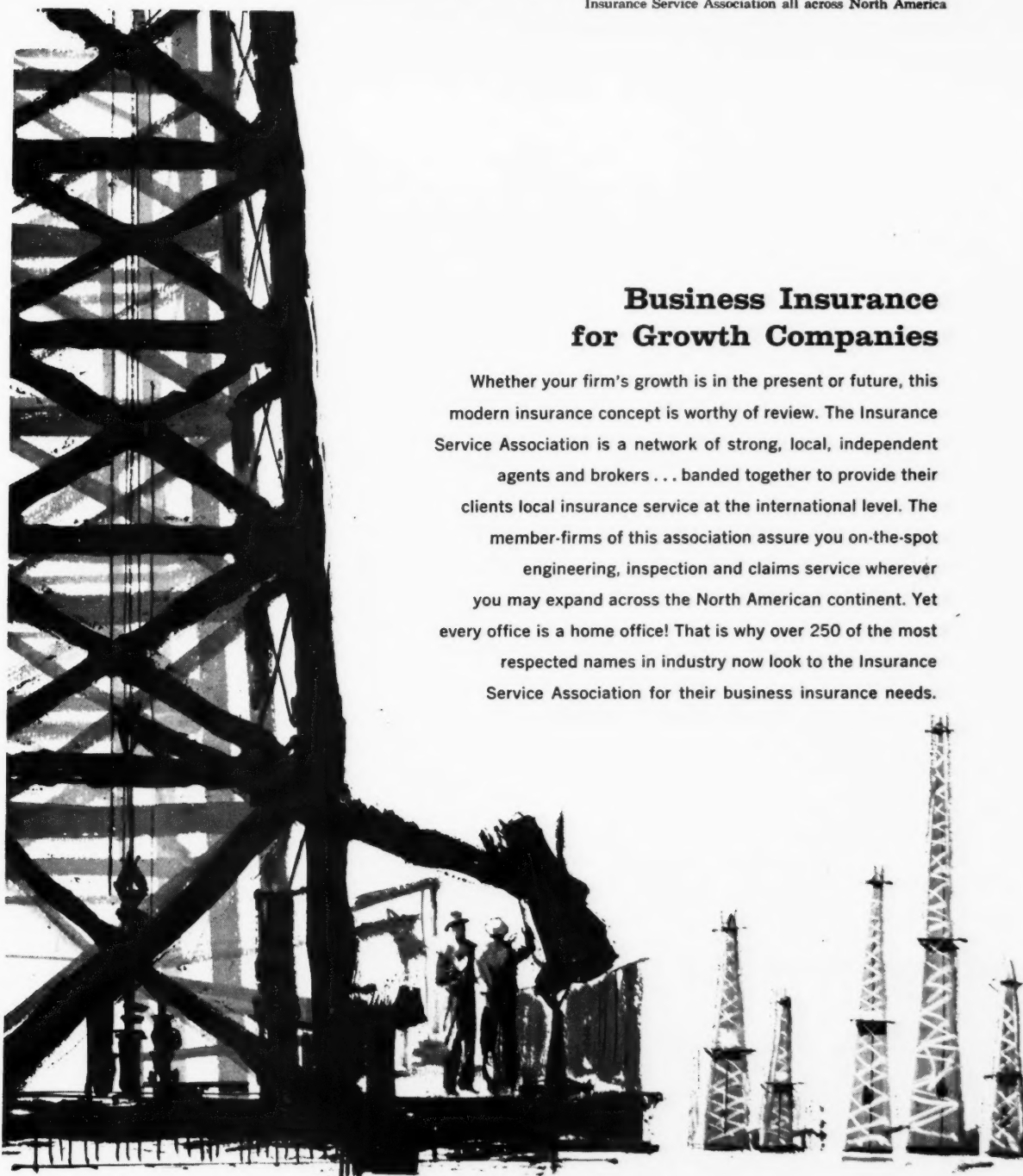
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Tips — Herbert E. Smith

(From page 18)

buyer, the broker and the underwriters, became more workable. Whenever possible, the buyer should get the underwriter out to see those large risks. It will always pay off when they know what all the problems are. A word of caution — the buyer should be honest when he is showing off the operation and equipment and should show the poor risk along with the good risk in order to keep faith with his broker and underwriter.

The Role of the Insurance Consultant

Another area of assistance for the part-time buyer is the insurance consultant, who is an unbiased party, and source of technical help for the company. This source of management aid is often overlooked, and particularly, when a full-time and technically trained insurance buyer is not required due to the size of the company and its operations. The consultant will aid and guide the buyer in all phases of his insurance responsibility, analysis of present coverage, analysis of risks, loss prevention, claims preparation, litigation, procurement of coverage, etc. He is able to assist the buyer in every phase of the insurance program of his company.

The Role of the Company

To properly do the job for his company, the part-time buyer must have the full cooperation of his own organization, as well as that of the broker, underwriter and consultant:

1. *The accounting department* must keep the buyer informed as to inventory values, fixed and real property valuation changes due to addition or deletions, rolling stock, payroll, etc.

2. *The operating department* must keep the insurance buyer informed as to any changes of process, goods being used or manufactured. Should the company be a trucking firm and normally haul steel, groceries, etc. and the chief dispatcher has a golden opportunity for a back haul of a cargo that may be flammable or highly explosive, the buyer should be informed before the haul takes place in order to keep proper coverage in full force and effect for such changes in operations.

3. *The sales or estimating department* must keep the buyer informed of any deviations from the standard and approved sales contracts.

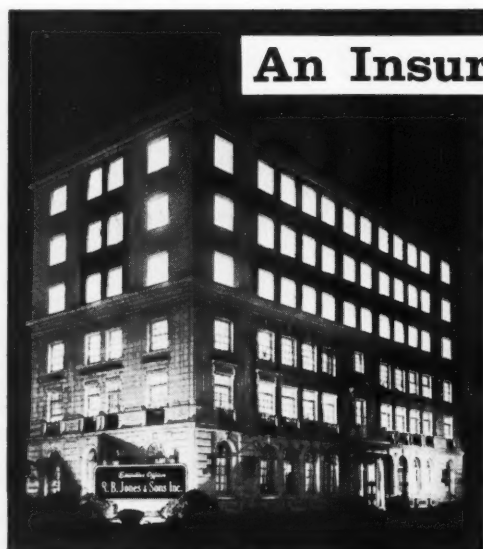
4. *The purchasing department* must also keep the buyer informed of any unusual items that may

affect the company's risk policy.

In some organizations this cooperation may be difficult to secure. A crystal ball might be an acceptable piece of equipment for the part-time buyer since we all run into this problem to some degree!

The best assistance for the buyer is a good, clear and concise directive from top management to all personnel in responsible positions, stating the buyer's position and the required information he must receive in order to do the job expected by management. Regardless of the reports and information being piped to the buyer, he must not be tied down to a desk but he should get out into the factory, the shops, plant and storage areas to see what is going on. If there are outlying areas of operation, he should take the initiative and contact the persons in charge to keep abreast of the operations and to let the personnel know he is still on the job and interested in their activity from an insurance point of view. The buyer must be alert to each bit of news or information that may be mentioned in a casual conversation, a communication or any other source. It is always surprising in our organization how much can be picked up from a group of our drivers "shooting the breeze." To be sure, most of it is

(More on page 22)



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Tips — Herbert E. Smith

(From page 20)

rumor but occasionally a real gem is disclosed.

The Role of Research Material

When a person who has no technical knowledge of insurance management is appointed as a part-time buyer, several means of self-improvement in the field of insurance are available to him. In this age of "do-it-yourself" plans in practically every walk of life, we can find a way here, too:

1. First, there are management associations which have seminars, conferences, etc. pertaining to insurance matters.

There is the American Society of Insurance Management, Inc., with chapters nationwide holding meetings, conferences and seminars in the field of risk management. Membership is restricted to buyers only. Their conferences and seminars are often open to non-members.

The part-time buyer should request his company to become a member of ASIM and thus help himself to improve his position on

his management team.

2. Second, there are usually courses pertaining to some phase of insurance available at one of the local universities or junior colleges. Get on their mailing list and carefully scan the list of courses offered. In addition to insurance courses, the buyer may find courses for safety engineers, adjusters, casualty law, etc. These may seem far afield to the part-time buyer, but they can be very helpful to him in better understanding and covering his responsibility.

3. Another area of self-improvement of the buyer's technical knowledge in the field of insurance is through the use of publications issued by the various management associations and the trade magazines. Following is a partial list of such publications, which I have found helpful:

- (a) *The National Insurance Buyer*. Published bi-monthly. Official publication of The American Society of Insurance Management. Presents articles and papers on corporate insurance.
- (b) *The Insurance Law Journal*. Published monthly by Commerce Clearing House, Inc. Presents timely articles on pertinent subjects of insurance law, digests of recent decisions, comments on pending legisla-

tion and other features reflecting the changing scene of insurance law.

- (c) *Quarterly of the Fire Protection Association*.

A standard technical journal of fire protection dedicated to developing means to safeguard life and property through the publication of standards covering all phases of fire prevention and protection.

There are many others.

Review

When management creates a part-time buyer of insurance from the ranks, some advantages may develop that were not thought of

when he was given this added assignment. He must, of necessity, apply himself to the new field with intelligence, vigor, tenacity and curiosity. Not only does company management benefit by this, but the whole field of insurance management is also stimulated by the thinking and different approaches to insurance the part-time buyers bring from their varied fields of training.

The part-time buyer must take advantage of the opportunity offered by his added responsibility. With the backing and cooperation of his own management, with the

(Concluded on page 23)

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Tips — Herbert E. Smith

(From page 22)

broker spending enough time and helping through the development period, the underwriter being furnished with proper information through the broker and the consultant keeping a watchful lookout and a steadying influence over the part-time buyer, he, the buyer, will be able to develop an understanding and technique of insurance that will make him a valued member on management's team.

President of ASIM Makes Committee Appointments

W. Howard Clem, president of the American Society of Insurance Management, Inc., has appointed to the Executive Committee of ASIM:

Casimir Z. Greenley of International Minerals and Chemical Corporation, Chicago; William A. Miller of Richfield Oil Corporation, Los Angeles; Frank W. Pennartz, Food Fair Stores, Inc., Philadelphia; and Charles H. Thiele, Federated Department Stores, Inc., Cincinnati. H. Stanley Goodwin, immediate past president of the American Society of Insurance Management, Inc. will serve as Chairman of the Executive Committee which comprises the officers of ASIM and Messrs. Greenley, Miller, Pennartz, Thiele and Goodwin.

Industrial Relations Committee

The members of the Industrial Relations Committee, appointed by Mr. Clem are:

Joseph T. Parrett, Carnation Company, Los Angeles; Fred L. Mattson, West Coast Lumbermen's Association Portland; T.V. Murphy, Maryland Shipbuilding & Drydock Company, Baltimore; Frank W. Pennartz; C. Henry Austin, Standard Oil Company (Indiana), Chicago; and Mr. Thiele. Mr. Parrett will serve as Chairman of the Industrial Relations Committee.

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Tips — Ralph Smith

(From page 8)

satisfactory companies; but as the due date approached these requirements were so severely modified as to raise doubts as to whether all of the eligible companies would be of sufficient financial structure for a risk of this magnitude.

Every underwriter reviews a considerable volume of business that ends up in some competitors unearned premium reserve, and increasingly we see things happening that are inviting disaster for some company and another segment of the buying public. This situation is a natural evil product of high prosperity, and it plagues most of the nation's financial industries. You no doubt have read of the concern of the stock exchanges as to the whimsical and definitely uninformed buying by the part-time market speculator. The insurance industry's situation is compounded in that we are in a highly inflationary prosperity period which produces losses inflated beyond the level contemplated by the rates, which in turn produce a tighter market leading the buyer to downgrade the financial requirements of his insurance carrier in order to maintain a premium level. This usually leads him not only to a company of inadequate financial structure, but also of questionable service ability.

Of course you may say that company failures occur so infrequently that we really don't have to be told about it, but if any of you read the September Issue of the "Pacific Northwest Underwriter" you only had to go three pages to find three company failures. That was a rather depressing issue to those of us vitally interested in the public opinion as respects our industry as a whole. The writer of one of the obituaries summed it up as follows:

"These failures give the agents who represented the defunct companies many headaches (I'll bet) and should establish in the minds of both the public and the agency production force that reputation and solvency, plus high character, are the cheapest buys in insurance, which is nothing more than purchasing money for future delivery".

You may wonder how this can happen with good, regulatory insurance legislation in most states, and with periodic examinations by highly trained insurance department examiners, but the only way known to prevent stupid or uninformed management or conversely, criminally clever management from robbing you of premiums or obligating you for untold losses is to avoid doing business with them.

It can't happen here? Can it? But it did with a great big sickening thud right in the middle of Los Angeles just last year.

Let us assume that you are sure

you are satisfied with the financial stability of the companies in your portfolio. But before you return the file to the safe I would like to suggest that you take a real close look at any certificate effected in the London market. On the face of this certificate you will find the following wording: "This is to certify that the undersigned have procured insurance as hereinafter specified from Underwriters at Lloyd's London (hereinafter called the Underwriters), through our Lloyd's Brokers in London, England. Pursuant to such authorization the Underwriters do hereby bind themselves, each for his own part and not for one another, for the percentage shown hereunder".

Then about halfway down the page you will find this wording "Hereon X% of the amount and premium stated herein".

If the % is shown as 100%, I repeat, if the % is shown as 100%, that means that the risk covered is insured 100% by Underwriters at Lloyd's London. And I believe that we know enough about the operation of Lloyd's to feel reasonably satisfied that a good financially sound contract is in your hands.

If, however, a lesser percentage is shown you will find a second, almost identical, certificate probably just beneath the first, and this will read "This is to certify that the undersigned have procured in-

(More on page 25)

Corporations are usually sure their accounting is in order but have C.P.A.'s check it.

Corporations are usually sure their insurance is in order but they should have it checked. The same logic applies to both.

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Tips — Ralph Smith

(From page 24)

insurance as hereinafter specified from certain insurance companies", may I underline certain insurance companies "through our brokers in London, England.

Pursuant to such authorization the Underwriters do hereby bind themselves, each for itself only and not one for another, for the percentage shown hereunder".

Again, about half way down you will find the percentage expressed.

Does the certificate tell you which companies? How much of the risk is each company assuming "for itself only and not for one another"? Where is the company located? And what is its financial stature?

In looking farther you will find that "the names of the assurers hereunder are on file in the office of our brokers in London, England, and will be on file in the office of the undersigned upon being forwarded to them by our London Brokers".

So if you haven't checked these non-admitted insurers out to your satisfaction you can't return the file to the safe. However, we do know now that you can begin to investigate. The names and locations of the companies are, or can be made, available, and if the surplus line broker is the wholesaler he should be, you will find that you are doing business with some of the oldest and finest insurance companies in the world, and the companies will be sound financially. The surplus line broker, again if he is worth his fee, will usually be able to furnish you with a financial statement of the companies involved. *BUT*, some of you may find that you are doing business with companies in Europe, parts of Asia, Japan, South America, Africa, Central America, in fact almost anywhere in what we call the free world. Normally, except where extreme catastrophe or capacity is involved, there is only one reason to go beyond Lloyd's and highly reputable English companies, and that reason is because you are not

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Scheduling Employee Vacations?

VACATION SCHEDULE

1960

NAME

JAN. FEB. MARCH APRIL MAY JUNE JULY AUG. SEPT. OCT. NOV. DEC.

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31

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Tips — Ralph Smith

(From page 25)

offering a sufficient rate for the exposure involved and therefore are ending up in a sub-standard market. Of course, many of these free world companies are as good as gold, but why go out of the known established market, particularly for future payments in a time of political unrest.

Some of you are going to gasp just at reading the names of some of these companies. In America such names could only appear in situation comedy, reminiscent of some of the names — "Kingfish" of the Amos and Andy Series — used in his financial enterprises. I sincerely hope that no one here has the sad experience of finding a Kingfish Enterprise on your exposure at the time of loss.

It is my considered opinion that as insurance buyers your primary responsibility is to make sure you are doing business with companies of unquestioned financial stability.

If you have changed insurance carriers in the past because you were dissatisfied with the service rendered, you know why we are including our second point.

Ability

Mention was made of the fact that when a buyer attempts to hold the line on premium in an inflationary cycle there is a possibility that the result will be accepting markets that are not equipped to service his business.

If you found that a certain type of automobile gave you all that you wished for in your fleet operations, it is doubtful that you would suddenly switch to another make because the initial outlay was less. While the original capital investment is a major consideration, the depreciation, upkeep, mileage and other factors will affect your ultimate cost. So you would want to be quite sure before you made the change that the second auto would deliver an ultimate cost less than the favorite that you can have measured.

If you represent, say a major oil company, it is doubtful that you

would switch your insurance from a carrier that has performed admirably to another carrier for the sake of the initial premium outlay without determining whether the second carrier could give you all you have been receiving in the way of service.

1. Road and pipeline transportation of volatile products.
2. Concentrated exposure at tank farms and refineries.
3. A variety of products ranging from asphalt to chemicals to plastics to you name it.
4. Offshore - onshore operations that are so intermingled as to defy separation.
5. And in the oil industry, perhaps more than any other that I can think of at the moment, a vast and enviable public relations position carefully and diligently nurtured over a period of years.

Did you ever stop to consider the effect that a poorly handled claim could have on your public relations? In the oil industry, claims occur that may be valid insurance claims or they may be business or operational expense, and it is not always easy to determine which at the offset of investigation. Imagine a claims adjuster bringing a claimant along to the point of a reasonable settlement and then dropping him with the statement that he has a claim but that it isn't covered by insurance. Customer relations drop to a minus figure if he happens to be Farmer Jones who the leasing department has been wining and dining to bag a lease where there really might be oil. This happens where the adjuster has had no experience in the field of oil.

It isn't difficult to see that a major oil company requires a carrier of excellent service ability.

I dare say that most of the industries represented here have special problems that have a bearing on their insurance.

For instance you might have a fleet of automobiles that are giving you trouble. All of the drivers are nice guys, but boy, do they have

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Tips — Ralph Smith

(From page 26)

accidents. Does your insurance carrier have qualified fleet safety engineers that can help you or is their answer merely to raise the premium year after year? Or go a step farther, does the carrier even have an Engineering Department?

Do problems like these run through your mind? How do we handle isotopes, where shall we store that new explosive, shall we buy an experimental atomic reactor, how can the state expect us to keep our foremen up to date on safety orders and still turn in a profit? These and hundreds of other problems can be solved by a qualified insurance engineer. But is that engineer here where he can help you?

Maybe you have a peculiar problem in medicine. Does your carrier have a medical director, and can

you call on him? Maybe an expert in preventative medicine could save you a considerable sum in your compensation premiums. I can think of a dairy that did just that by instituting a regular program of tetanus inoculation for their farm and creamery workers. In the past the only time a shot was given was in the ambulance on the way to the hospital after the cow kicked some poor guy in the teeth. Perhaps pre-employment medical could result in a net savings in your compensation and life premiums, but only a qualified medical study can give you the answer.

Does your carrier have a legal department that over the period of years has reviewed thousands of hold-harmless or assumption of liability agreements and could give you a list of do's and don'ts to pass on to the interested parties in your organization? Sounds basic I know, but your hair would stand on end if you knew some of the things your

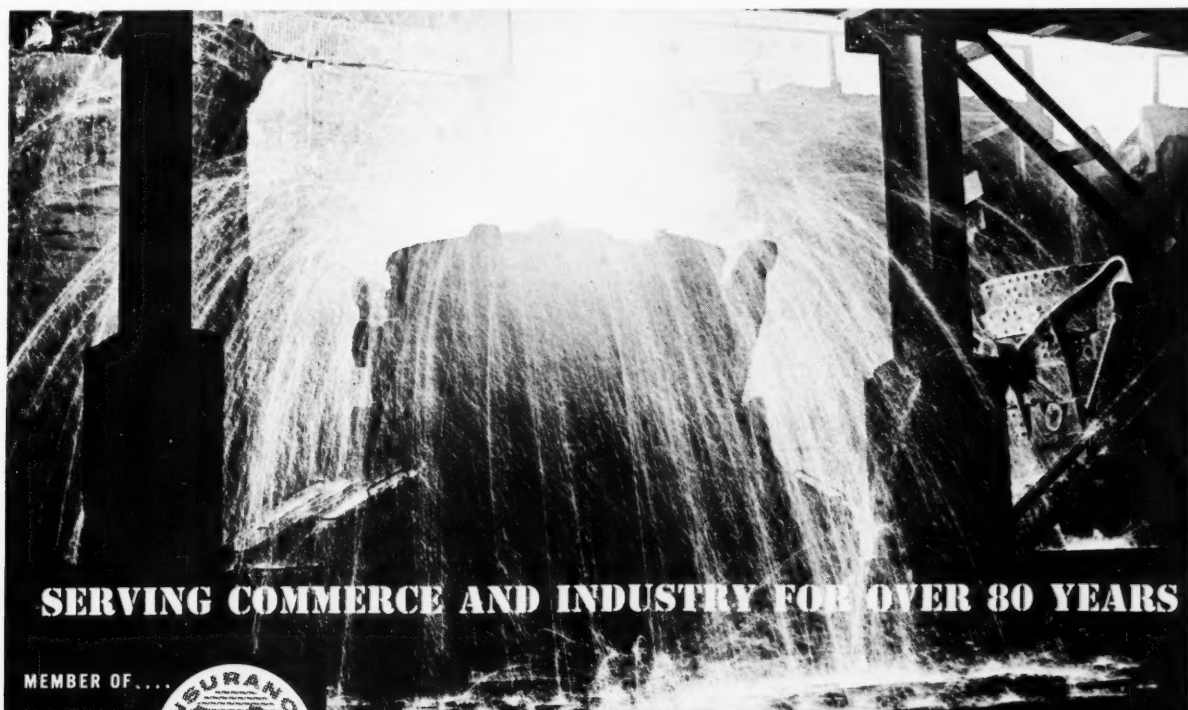
sales or engineering departments were agreeing to in writing.

If you decided to hold a safety meeting tomorrow to discuss loss frequency, or if the boss wanted a report of your loss experience, could you obtain it, or would you find that the records are kept in San Francisco or New York or Timbucktoo?

Is your compensation carrier willing and able to review your outstanding claims in detail with you before they send your experience into the Rating Bureau to set next year's rate? If there is unwillingness in this respect, maybe there is a reason.


Maybe your insurance carrier consists of six people — the executive officers, a stenographer and a messenger to run to and from the bank with your money. Every other function is farmed out to independents who can't possibly be as interested in your affairs as a fully

(Concluded on page 30)



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Tips — George K. Ross

(From page 6)

interpret and to use with other information at your disposal.

Secrecy is senseless and silence is not always golden. You trust your broker so let him know, in fact, *insist* that he know your operation thoroughly. The company underwriters expect him to know the risks he offers them so you'll save yourself and your broker endless telephone calls if you educate him in your particular business and more important, your broker will then be able to really service your account and probably save you precious premium dollars.

If *you* are to teach your broker about your business, you naturally must know *every* facet of your company's operation—you must be thoroughly familiar with every property owned by your employer and survey these properties regularly and often — you must know the insurance laws of each state and country where these properties are located — you must know the legal aspects of your company and every phase of your organization. If *you* do your job as insurance buyer diligently, *you* will know more about your company than any one person in your firm.

An informed buyer is much easier to deal with than the buyer who regards insurance as incomprehensible. There are publications available which explain various types of insurance coverages in laymen's

language which will make you conversant with the subject. Your employer will no doubt expect you to answer *his* questions on insurance, so the time spent in learning will not be wasted. "Part time," when used to describe an insurance buyer, should never mean *only occasionally interested*.

Blessed is the buyer who informs his broker immediately of major changes in the company. A building addition, a new car, new equipment, the purchase of additional property, increased hazards, a change of ownership, the sale of insured property or a loss. You can't imagine the complete frustration of calling on an insured and learning that a couple of weeks ago the company purchased an electric brain, built a tool shed out back and brought a Ferreri. Or worse yet, for the buyer that is, telling your broker about these things after someone got to fooling around with the mechanical brain and it started a fire which burned your plant, tool shed and sports car. When you belatedly remember to tell your broker of all the changes in your firm, don't mistake his rather glassy expression for lack of interest — it's just stunned disbelief that he wasn't the first, or at least the second or third to know. Just being in the "top ten" would make him grateful.

Even in this security conscious society we work in, it is impractical to insure your firm against *all* possible losses, so loss presentation is as much a part of your job as buy-

ing insurance. Let your broker know that his suggestions to improve, or eliminate, hazards in your operation are welcome. Burglaries, fires, explosions, windstorms, and injuries are everyday occurrences and you will no doubt be touched by one or more of these sooner or later. Do you hesitate to "lay down the law" to your co-workers who cause losses through carelessness? Then ask your broker to talk with them and see that his suggestions become part of your company's rules. If you have a loss, you can be assured that even with the insurance company's check, your firm will be out-of-pocket when final accounting is made, so invite your broker to tour your firm with you and follow the suggestions he makes if it is within your power to do so. Remember that a loss to your insurance company will also be a loss to your employer — there are no exceptions to this rule.

Along with purchase coverage for your firm, *you*, the insurance buyer, must also see that your firm has a copy or certificate or insurance policies carried by contractors doing work for your firm — particularly Liability and Workmen's Compensation. When in doubt, ask your broker to check the coverage with you. This may sound a bit like the suggestion that you wear a belt and suspenders at the same time, since you will carrying these coverages for your own firm, but you are better off being overcautious.

(More on page 29)

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Tips — George K. Ross

(From page 28)

Your broker will appreciate a written list of general instructions and information, such as,

What days of the week will you be available to discuss insurance?

What type of insurance company do you prefer — stock, mutual or reciprocal?

"Do you prefer letters to personal interview?

Must you have separate policies for subsidiary companies?

Do you want your insurance premiums on the installment basis?

How many bills do you need for accounting purposes?

And, naturally, the exact name of your company, corporation or partnership.

When your broker knows exactly what you expect of him, you save yourself, and him, valuable time.

The insurance market changes from week to week. Not too long ago fire insurance on churches and schools was difficult to place — now it is readily accepted, but restaurants and hillside properties are K.O. U.C.D. is looked on by underwriters with a jaundiced eye, but Workmen's Compensation is sought after, mildly by some and vigorously by others. Because of heavy losses or inadequate rates, your type of business may one day be considered undesirable from an underwriting standpoint. Don't take it as a personal affront if one year your broker must give you three policies to renew one expiring policy, or if he must use the London market at higher rates. Loyalty to your broker at that trying time will repay you in the long run. Human nature being what it is,

a broker can't do his best work knowing he is regarded as temporary and that he will be discarded in favor of a competitor at the drop of a rate. Judge your broker by the over-all insurance program he has arranged for you and the over-all cost, not policy by policy.

To sum it up, the ideal buyer-broker association must have the following ingredients:

An understanding of, and interest in, each other's business pursuit, and ability in his own.

Frankness, honesty and friendliness.

Co-operation.

Frequent personal contacts.

And above all, mutual trust and respect.



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Tips — Ralph Smith

(From page 27)

staffed insurance company, or perhaps its an otherwise highly reputable Eastern company that is in California only on a nibble basis.

All of us probably have had some exposure to hiring of personnel. I don't suppose there is an application for employment in use today that does not contain several spaces for references and previous experience. Maybe a few of you have borrowed money from the bank and surely you remember that the loan application had spaces for references, both personal and credit-wise. If you are contemplating a change in carriers, why not ask for references and past experience, particularly past experience with others in your own industry.

Our best boosters are satisfied customers, and if some friendly competitor asked you where you were insured, and if you were satisfied, I'm sure you wouldn't mind sharing your thoughts with him.

My preface was that your insurance agent or broker has probably already covered all of the bases for you, and I might add that our industry is most fortunate in this respect in this area.

I really don't think that there is any such thing as a part-time insurance buyer. You may have other duties but when you consider that to perform you must know as much about your organization as:

Your Board of Directors — to be aware of future plans and program your insurance buying accordingly.

Your President — to fit your company policy into insurance policies.

Your Comptroller — to buy adequate insurance to protect the investments and moneys he is watch-dogging.

Your Production Manager — to know where and how much to cover.

Your Legal Department — to know what outside obligations you have assumed.

and so forth.

This is not then a part-time job. Insurance Buyers, I salute you!

Insurance Regulation — Meyner

(From page 14)

However, it deleted from enabling legislation the funds to carry on its work — a pious but ineffective effort.

I do not know what kind of talk you men and women expected of me today, and perhaps I should ask your pardon for delivering what you might consider a legal brief and for inflicting upon you some of the headaches that we in state government are experiencing. But in the last analysis you who purchase insurance, you who are directly accountable for the wise management of insurance programs for your corporations, must share concern that the business of insurance is fairly and efficiently regulated. I think you will also agree it is up to the respective states to prove that, in this area, they can fully discharge their responsibilities instead of weakly turning them over to Uncle Sam.

More and more, as we look about us, it is hard to find an important business that does not affect the interest of the public in the evermore complicated society in which we live. In the last few decades, as

a result, the Supreme Court of the United States has greatly extended the scope of the interstate commerce clause of the Federal Constitution, beginning with the Wagner Act decisions handed down when Charles Evans Hughes was Chief Justice. Congress and the state legislatures have been impelled, in protection of the public, to extend and increase the mantle of regulation over business and industry. In many cases, business and industry have only themselves to blame. They know that, when their actions produce government intervention, they are likely to bring unduly restrictive legislation upon themselves. So for selfish reasons, if not for the good of society as a whole, it behooves the leaders of business and industry to conduct themselves with discipline and restraint. We Americans greatly treasure our freedom, but freedom is a relative thing. No man, said Justice Oliver Wendell Holmes, has the freedom or the right to shout the false cry of "Fire" in a crowded theater. Similarly, no private corporation has the right to carry out policies injurious to our entire society.

You have my best wishes for a fruitful meeting here in Philadelphia.

MINNESOTA CHAPTER ASIM SPONSORS INSURANCE SEMINAR

"Some Problem Areas in Insurance" was the subject of a one-day seminar sponsored by Minnesota Chapter ASIM in conjunction with the University of Minnesota School of Business Administration on November 19th, 1959.

The participants were:

Advisor: **Arthur Williams**, Professor, School of Business Administration, University of Minnesota

Moderator: **Ray Boettcher**, Geo. A. Hormel and Company

Panel Members: **Harold Baker**, Waldorf Paper Products Company
Horace Noland, M. F. Patterson Dental Supply Company

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THE NATIONAL INSURANCE BUYER

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Treasurer—Hilliard J. Fjord, The Western & Southern Life Insurance Company, Cincinnati.
Asst. Treas.—Thomas Fisher, The Fifth Third Union Trust Co., Cincinnati.
Secretary—Robert J. Schiffgen
 Trailmobile Inc.
 31st & Robertson Avenues
 Cincinnati 9, Ohio.

CLEVELAND CHAPTER

Meetings—2nd Monday each month except July and August. Dinner
President—Paul MacDonald, Carling Brewing Company, Cleveland.
Vice-Pres.—Paul W. Willberg, The Goodyear Tire & Rubber Company, Akron.
Treasurer—Clayton R. James, Addressograph-Multigraph Corp., Cleveland.
Secretary—Miss Julia Sullivan
 The General Tire & Rubber Company
 Akron, Ohio.

CONNECTICUT VALLEY CHAPTER

Meetings—2nd Thursday of each month. Luncheon
President—Darrell Ames, Eastern States Farmers' Exchange, Inc., West Springfield, Mass.
Vice-Pres.—Hervey Chevette, Scovill Manufacturing Company, Waterbury, Conn.
Treasurer—David L. Benson, Whitney Chain Company, Hartford, Conn.
Secretary—Annetta Merlino
 City of Hartford
 Hartford, Conn.

DALLAS-FORT WORTH AREA CHAPTER

Meetings—3rd Thursday of each month. Luncheon 12:00 Noon
President—R. C. Harrison, American Petrofina, Inc. Dallas
Vice-Pres.—Charles Swanner, Magnolia Petroleum Co., Dallas
Treasurer—Larry Wallace, Otis Engineering Corp., Dallas
Secretary—Miss Annetta M. Johnson
 The Murray Company of Texas, Inc.
 3200 Canton Street
 Dallas, Texas

DELAWARE VALLEY CHAPTER

Meetings—3rd Monday each month. Dinner 6:30 P.M.
President—Charles R. Garton, Atlantic City Electric Company, Atlantic City, N. J.
Vice-Pres.—David D. Day, American Viscose Corporation, Philadelphia, Pa.
Treasurer—Chester H. Drummond, Campbell Soup Company, Camden, N. J.
Asst. Treas.—J. Joseph Bonanomi, The Budd Company, Philadelphia
Asst. Secy.—John Carr, Penn Fruit Company, Philadelphia, Pa.
Secretary—Milton H. Shaw
 Kaiser Metal Products, Inc.
 Bristol, Pa.

INSURANCE BUYERS ASSOCIATION OF DETROIT

Meetings—3rd Wednesday each month. Dinner 6:00 P.M.
President—E. Dean Damon, Parke Davis Company, Detroit
Vice-Pres.—N. H. Siegel, Detroit Steel Corporation, Detroit
Treasurer—P. Russell Cole, Ex-Cell-O Corporation, Detroit
Secretary—Robert E. Drewer
 S. S. Kresge Company
 2727 Second Avenue
 Detroit 32, Michigan

CHAPTER DIRECTORY

AMERICAN SOCIETY OF INSURANCE MANAGEMENT, INC

HOUSTON SOCIETY OF INSURANCE MANAGEMENT

Meetings—2nd Wednesday each month. Luncheon 11:30
President—W. A. Holcomb, Jr., Transcontinental Gas Pipeline Corporation, Houston
Vice-Pres.—R. C. Lee, Sheffield Division, Armco Steel Corporation, Houston
Treasurer—William D. Suhr, Bank of the Southwest National Association, Houston
Secretary—Darold Black
 J. Weingarten, Inc.
 P. O. Box 1698
 Houston, Texas

MARYLAND CHAPTER

Meetings—3rd Thursday each month. Dinner 6:30 P.M. Sept.-June
President—R. E. Beningrove, Maryland Shipbuilding & Drydock Company, Baltimore
Vice-Pres.—Edward M. Walton, Harry T. Campbell Sons Corporation, Towson
Secy.-Treas.—Richard Sleeper
 Insurance Buyers' Council
 6803 York Road
 Baltimore 12, Maryland

MINNESOTA CHAPTER

Meetings—Third Tuesday of each month—September through May. Dinner 6:30 P.M.
President—L. E. Thompson, Green Giant Company, Le Sueur, Minn.
Vice-Pres.—Allan D. Brosius, Minneapolis-Honeywell Regulator Co., Minneapolis, Minn.
Secy.-Treas.—M. Scott Rhodes
 Owatonna Canning Company
 Owatonna, Minnesota

MONTREAL INSURANCE BUYERS ASSOCIATION

Meetings—3rd Thursday October through May. Luncheon, 12 Noon.
President—J. G. Harper, Northern Electric Company, Limited, Montreal.
Vice-Pres.—H. H. Cowan, Steinberg's Limited, Montreal.
Secy.-Treas.—Glen Buchanan
 The Shawinigan Water & Power Company
 600 Dorchester St. West
 Montreal, Canada

NEW YORK CHAPTER

Meetings—4th Thursday, each month, except July and August. Luncheon 12:30 P.M.
President—Robert B. Schellerup, Union Bag-Camp Paper Corporation, New York, N.Y.
1st Vice-Pres.—Donald W. Berry, The Borden Company, New York, N.Y.
2nd Vice-Pres.—James S. Southwick, Ethyl Corporation, New York, N.Y.
Treasurer—Robert S. Gyory, Sylvania Electric Products, Inc., New York, N.Y.
Secretary—Raymond A. Severin,
 American Metal Climax, Inc.
 61 Broadway
 New York 6, N.Y.

NORTHERN CALIFORNIA CHAPTER

Meetings—3rd Thursday of each month. Dinner 6:00 P.M.
President—H. Langdon Hilleary, Standard Oil Company of California, San Francisco
Vice-Pres.—Justin A. Crockwell, Pacific Gas and Electric Company, San Francisco
Treasurer—Lee J. Hidlebaugh, The Bank of California, N.A., San Francisco
Secretary—Frank W. Ahlert
 The Western Pacific Railroad Co.
 526 Mission Street
 San Francisco, Calif.

OREGON CHAPTER

Meetings—1st Wednesday of each month. Dinner 6:00 P.M.
President—R. E. Marcy, The First National Bank of Oregon, Portland.
Vice-Pres.—Fred L. Mattson, Jr., West Coast Lumbermen's Association, Portland.
Secy.-Treas.—Ed Bolin,
 Northwest Natural Gas Company
 920 S. W. Sixth Avenue
 Portland, Oregon.

INSURANCE BUYER'S ASSOCIATION OF PITTSBURGH

Meetings—Alternate Tuesdays, September through May.
President—Ralph W. Low, Westinghouse Electric Corporation, Pittsburgh.
1st Vice-Pres.—Gerard O. Griffin, Dravo Corporation, Pittsburgh.
2nd Vice-Pres.—S. J. Prentice, Jr., Gulf Oil Corporation, Pittsburgh.
Treasurer—Leo F. Kane, Equitable Gas Company, Pittsburgh.
Assistant Secretary—R. G. Morton, Blaw-Knox Company, Pittsburgh.
Secretary—Thomas G. Noel
 The Rust Engineering Company
 930 Fort Duquesne Boulevard
 Pittsburgh, 22 Pa.

SOUTHERN CALIFORNIA CHAPTER

Meetings—3rd Wednesday of each month. Dinner 6:30 P.M.
President—Waldo W. Powers, Signal Oil and Gas Company, Los Angeles
Vice-Pres.—M. J. Bowman, American Potash & Chemical Corp., Los Angeles
Treasurer—Norman Horney, Consolidated Rock Products Co., Vernon
Secretary—Steve Culibrk
 Citizens National Bank
 457 South Spring Street
 Los Angeles, Calif.

TORONTO INSURANCE BUYERS ASSOCIATION

Meetings—(To Be Announced)
President—J. G. Hird, The Robert Simpson Company Limited
Vice-Pres.—Don M. Stuart, Canada Packers Limited
Treasurer—Fred A. Morley, Famous Players Canadian Corporation Limited
Secretary—Harold Muir
 Canadian Westinghouse Co. Ltd.
 Hamilton, Ontario, Canada

VIRGINIA-CAROLINA CHAPTER

Meetings—Please check with Secretary for place and date
President—George J. Morrissey, Reynolds Metals Company, Richmond, Va.
Vice-Pres.—Gaither T. Newnam, Smith-Douglas Co., Inc., Norfolk, Va.
Treasurer—John W. Fox, Duke Power Company, Charlotte, North Carolina
Secretary—James R. Thomas
 Virginia Department of Highways
 1221 East Broad Street
 Richmond 19, Va.

WASHINGTON CHAPTER

Meetings—Second Tuesday each month. Dinner 6:30 P.M.
President—Don Rader, Pacific American Fisheries, Inc., Bellingham.
Vice-Pres.—E. B. Paris, Boeing Airplane Company, Seattle.
Treasurer—Robert N. Knight, Seattle-First National Bank, Seattle.
Secretary—Robert J. Cotter
 Simpson Timber Company
 1010 White Building
 Seattle 1, Washington

WISCONSIN CHAPTER

Meetings—Last Thursday each month, except June, July, August.
President—Joseph R. Hilmer, S. C. Johnson & Son, Inc., Racine, Wisconsin.
Vice-Pres.—Karl F. Abendroth, Milwaukee & Suburban Transport Corporation, Milwaukee.
Treasurer—Joseph A. Hussa, The First Wisconsin National Bank, Milwaukee.
Secretary—Robert E. Krause
 Briggs & Stratton Corp.
 2711 North 13th Street
 Milwaukee 1, Wisconsin.

Roster Of Member Companies

AMERICAN SOCIETY OF INSURANCE MANAGEMENT, INC.

ATLANTA

American Art Metals Company
Atlanta Newspapers, Inc.
Atlanta Transit System, Inc.
Citizens & Southern National Bank
The Coca-Cola Company
Curtis 1000 Inc.
Delta Air Lines, Inc.
Georgia Highway Express, Inc.
Georgia Power Company
H. W. Lay Company, Inc.
Lockheed Aircraft Corporation
(Georgia Division)
McDonough Construction Company
Mead-Atlanta Paper Company
National Manufacture & Stores
Corporation
Rich's Incorporated
Southern Airways Company
Southern Airways, Inc.
Southern Nitrogen Company, Inc.

CENTRAL ILLINOIS

Caterpillar Tractor Company
Central Illinois Light Company
Commercial National Bank of Peoria
Funk Brothers Seed Company
Honeggers' & Company, Inc.
Illinois Power Company
S. D. Jarvis Company
Keystone Steel & Wire Company
Laesch Dairy Company
LeTourneau-Westinghouse Company
Mississippi Valley Structural Steel Co.
Mueller Company
Princess Peggy, Inc.
J. L. Simmons Company, Inc.
A. E. Staley Manufacturing Co.
Steak & Shake

CENTRAL MASSACHUSETTS

Bay State Abrasive Products Co.
Betterley Associates
Brown & Sharpe Manufacturing Co.
Draper Corporation
Fitchburg Paper Company
Grinnell Corporation
Massachusetts Mutual Life Insurance
Company (*Secretary's Office-Risk
Management*)
Morgan Construction Co.
Norton Company
Rice Barton Corp.
Riley Stoker Corp.
Simonds Saw & Steel Co.
State Mutual Life Assurance Company
of America (*Property and Liability
Insurance Branch*)
The Vellumoid Company
Worcester Telegram Publishing Co.
Wyman-Gordon Company

CENTRAL OHIO

Anchor Hocking Glass Corporation
Arthur I. Vorys
Battelle Memorial Institute
Clark Industries

Columbus & Southern Ohio Electric Co.
Columbus Coated Fabrics Corporation
The Cooper-Bessemer Corp.
E. I. Evans & Company
The Jaeger Machine Company
The Jeffrey Manufacturing Company
F. & R. Lazarus & Company
The Mead Corporation
North American Aviation, Inc.
(Columbus Division)
Ormet Corporation
Ranco, Incorporated
The Peoples Broadcasting Corporation
The Weston Paper & Manufacturing Co.

CHICAGO

Abbott Laboratories
Aidens Inc.
American Bakeries Company
American Marietta Company
Automatic Electric Company
Baxter Laboratories, Inc.
Bell and Howell Company
Bowman Dairy Company
Brunswick-Balke-Collender Co.
Bureau of Safety
Butler Brothers
A. M. Castle & Company
Calumet & Hecla, Inc.
The Celotex Corporation
Central Fibre Products Company
Chemetron Corporation
City Products Corporation
Clark Equipment Co.
Collins Radio Company
Continental Ill. Nat'l Bank & Trust Co.
of Chicago
Container Corporation of America
Consolidated Foods Corporation
Crane Company
Cuneo Press, Inc.
Curtiss Candy Co.
Helene Curtis Industries, Inc.
R. R. Donnelley & Sons Co.
The Reuben H. Donnelley Corp.
Encyclopedia Britannica, Inc.
Fairbanks, Morse & Company
Fansteel Metallurgical Corporation
Lloyd A. Fry Roofing Company
General American Transportation
Company
General Dynamics Corporation
(Liquid Carbonic Division)
General Finance Corporation
Goldblatt Bros., Inc.
Graver Tank & Manufacturing Co., Inc.
Edward Hines Lumber Company
Imperial Brass Mfg. Co.
Inland Steel Company
International Harvester Co.
International Minerals & Chemical Corp.
Jewel Tea Co., Inc.
Joslyn Manufacturing & Supply
Corporation
Kawneer Company
Link-Belt Company
Magnaflux Corporation
Marshall Field & Company
Masonite Corporation
Material Service Corporation
The Meyercord Co.
W. H. Miner, Inc.
Montgomery Ward & Company

Motorola, Inc.
National Standard Company
National Tea Co.
Natural Gas Pipeline of America
Northern Trust Company
Northwestern University
Pabst Brewing Company
Passavant Hospital
The Peoples Gas Light & Coke Co.
Pullman Standard Car
Manufacturing Co.
Pure Oil Company
Quaker Oats Company
John Sexton & Company
Simoniz Company
Spiegel, Inc.
Standard Oil Co. (Indiana)
G. D. Searle & Co.
Charles A. Stevens & Company
Stewart-Warner Corporation
The Tribune Company
United Air Lines, Inc.
United States Gypsum Company
Victor Chemical Works
Walgreen Drug Stores
The Willett Company
Wisconsin Public Service Corporation

CINCINNATI

Acme-Newport Steel Company
American Laundry Machinery Co.
Armco Steel Corporation
G. A. Avril Company
The Baldwin Piano Company
Bardes Corporation
Burger Brewing Company
Burkhardt's
R. K. LeBlond Machine Tool Company
The Chatfield Paper Corporation
The Cincinnati Enquirer
Cincinnati Gas & Electric Co.
Cincinnati & Suburban Bell Telephone
Co.
The Dawson-Evans Construction Co.
The Drackett Company
The Duriron Company, Inc.
The Eagle-Picher Company
Emery Industries, Inc.
Federated Department Stores, Inc.
The Fifth Third Union Trust Company
The Foy Paint Company
The Globe Wernicke Company
Robert Gould Company
The Hamilton Foundry, Inc.
The Andrew Jergens Company
The E. Kahn's Sons Company
The Kroger Company
The Lunkenheimer Company
The H. H. Meyer Packing Company
The Mosler Safe Company
The Nivison Weiskopf Company
The Ohio National Life Insurance Com-
pany
The Ohio River Company
The Procter & Gamble Company
The Provident Savings Bank & Trust Co.
The Sorg Paper Co.
Trailmobile Inc.
United States Shoe Corporation
The Western & Southern Life Insurance
Co. (*Tax, Real Estate-General Insur-
ance Counsel*)
The George Wiedemann Brewing Co.

CLEVELAND

The American Crayon Company
Addressograph-Multigraph Corporation
E. W. Bliss Company
Campus Sweater & Sportswear Co.
Carling Brewing Company
Central National Bank of Cleveland
The Cleveland Crane & Engineering Co.
Cleveland Electric Illuminating Company
Cleveland Pneumatic Industries, Inc.
Firestone Tire & Rubber Company
The General Tire & Rubber Company
The Goodyear Tire & Rubber Company
The Halle Brothers Company
Harris-Intertype Corp.
Industrial Rayon Corporation
The Hoover Company
Hupp Corporation
The North American Coal Corp.
The Parker Hannifin Corporation
Rubbermaid Incorporated
The Timken Roller Bearing Co.

CONNECTICUT VALLEY

City of Hartford
Connecticut Light & Power Co.
Eastern States Farmers' Exchange, Inc.
Eureka Williams Corp.
Hartford Electric Light Co.
Hartford Gas Co.
The Kaman Aircraft Corporation
Moore Drop Forging Co.
The New Britain Machine Co.
Scovill Manufacturing Company
The United States Time Corporation
United Aircraft Corp.
Veeder-Root Incorporated
Whitney Chain Company

DALLAS-FT. WORTH

Ambassador Oil Corporation
American Petrofina, Inc.
Austin Bridge Company
Bell Helicopter Corporation
The British-American Oil Producing Company
Cabot Carbon Co.
Campbell Taggart Associated Bakeries, Inc.
Carrier-Bock Company
Chance Vought Aircraft, Inc.
Champlin Oil & Refining Co.
Coca-Cola Bottling Company
Comet Rice Mills
Community Public Service Co.
Dallas Power & Light Co.
Dearborn Stove Company
Delta Drilling Company
Dresser Industries, Inc.
Frankfort Oil Company
The Frito Company
General American Oil Co. of Texas
Gifford-Hill & Co., Inc.
Intercontinental Mfg. Company, Inc.
Lone Star Gas Company
Lone Star Steel Company
Magnolia Petroleum Company
Morton Foods, Inc.
The Murray Company of Texas, Inc.
The Schoellkopf Company
Olmsted-Kirk Company
Otis Engineering Corp.
Dr. Pepper Company
Republic National Bank of Dallas
Rowan Drilling Company, Inc.
Southern Union Gas Company
Sun Oil Company
Temco Aircraft Corporation
Texas Delivery Service
Texas Instruments, Inc.
The Times Herald Printing Company
The T X L Oil Corporation

DELAWARE VALLEY

Alan Wood Steel Company
American Viscose Corp.
Atlantic City Electric Company
Atlas Powder Company
The Atlantic Refining Company
Bargain City, U.S.A., Inc.
Bestwall Gypsum Company
The Budd Company
Campbell Soup Company
Catalytic Construction Company
Certain-teed Products Corporation
Delaware Power & Light Company
E. I. duPont de Nemours & Co., Inc.
The Electric Storage Battery Company
Fidelity Mutual Life Insurance Co.
Fidelity-Philadelphia Trust Company
Food Fair Stores, Inc.
General Coal Company
General Public Warehouse Company, Inc.
Hercules Powder Company
I-T-E Circuit Breaker Company
Keasbey & Mattison Company
Kaiser Metal Products, Inc.
Lavino Shipping Company
Levitt & Sons
Martin Century Farms, Inc.
Mutual Rendering Company, Inc.
Paterson Parchment Paper Co.
Penn Fruit Company
Penn Mutual Life Insurance Co.
Philadelphia Electric Company
Philadelphia Gas Works
The Philadelphia Saving Fund Society
Publicker Industries
Radio Condenser Company
Radio Corporation of America
Sandura Company
S.K.F. Industries, Inc.
Smith, Kline & French Laboratories
South Chester Tube Company
United Engineers & Constructors, Inc.
The United Gas Improvement Company

DETROIT

Acheson Industries, Inc.
Allen Industries, Inc.
American Blower Corporation
American Motors Corporation
Bull Dog Electric Products Company
Burroughs Corporation
Chrysler Corporation
D. W. G. Cigar Corp.
Darin & Armstrong, Inc.
Davidson Brothers
Detroit Gasket & Manufacturing Company
Detroit Harvester Company
The Detroit Edison Company
Detroit Steel Corporation
Evans Products Company
Ex-Cell-O Corporation
Fenestra, Inc.
Ford Motor Company
Fruehauf Trailer Company
Gar Wood Industries, Inc.
General Motors Corporation
Goddard & Goddard Company
The J. L. Hudson Company
Hygrade Food Products Corporation
The Jam Handy Organization, Inc.
Kelsey-Hayes Wheel Company
King-Seeley Corporation
S. S. Kresge Company
Lyon Incorporated
R. C. Mahon Company
McCord Corporation
McLouth Steel Corporation
Michigan Bell Telephone Co.
Michigan Consolidated Gas Company
Michigan Wisconsin Pipe Line Co.
Micromatic Hone Corporation

Mueller Brass Company
The Murray Corporation of America
National Bank of Detroit
National Twist Drill & Tool Co.
Parke Davis & Company
Pfeiffer Brewing Company
R. L. Polk & Company
Square D Company
The Udylite Corporation
The Upjohn Company
The Valeron Corporation
Verners Ginger Ale, Inc.
Woodall Industries, Inc.
Wyandotte Chemicals Corporation

HOUSTON

Ada Oil Company
American Warehouses, Inc.
Anderson Clayton & Company
Bank of the Southwest
Brown and Root, Inc.
Brown Oil Tools, Inc.
H. E. Butt Grocery Co.
F. A. Callery, Inc.
Cameron Iron Works, Inc.
Collins Construction Co.
The Dow Chemical Co.
Duncan Coffee Co.
Eastern States Petroleum Co. Inc.
Fish Services Corporation
Halliburton Oil Well Cementing Co.
Homco
Houston Oil Field Material Co. Inc.
Hughes Tool Co.
Humble Oil & Refining Company
Jefferson Lake Sulphur Company
Johnston Testers
National Lead Company, Baroid Division
Perforating Guns Atlas Corp.
Petro-Tex Chemical Corporation
Quintana Petroleum Corporation
J. Ray McDermott & Company
Reed Roller Bit Co.
River Brand Rice Mills, Inc.
River Oaks Corporation
San Jacinto Petroleum Corp.
Schlumberger Well Surveying Corp.
Sheffield Steel Division of Armco Steel Corporation
A. O. Smith Corporation of Texas
Tennessee Gas Transmission Co.
Texas Manufacturing Association
Transcontinental Gas Pipe Line Corp.
Trunkline Gas Company
Tuboscope Company
Uncle Ben's, Inc.
Union Carbide Chemical Company
J. Weingarten, Inc.
Win Hawkins Drilling Company

MARYLAND

Army & Air Force Exchange Service
The Arundel Corporation
Baltimore Contractors, Inc.
Cafritz Construction Co.
Catalyst Research Corporation
City Baking Company
W. T. Cowan, Inc.
Crown Central Petroleum Corp.
The Davison Chemical Corporation
Ellicott Machinery Corporation
L. Greif & Bro., Inc.
Gunther Brewing Co., Inc.
The Hecht Company
Hutzler Brothers Co.
Insurance Buyers' Council
Harry T. Campbell Sons Corp.
Maryland Shipbuilding & Drydock Co.
McCormick & Co., Inc.
Mercantile Safe Deposit & Trust Co.
Merchants Terminal Corp.
Montgomery County, Maryland
The National Brewing Co.

Office of Naval Material
Department of the Navy
Schmidt Baking Co., Inc.

MINNESOTA

Andersen Corporation
Cargill, Incorporated
College of St. Thomas
Coca-Cola Bottling Co. of Minnesota
The Creamette Co.
Curtis 1000, Inc.
Coast to Coast Stores—
Central Organization, Inc.
The Economics Laboratories, Inc.
Flour City Brush Company
Federal Cartridge Corporation
First National Bank of Minneapolis
Fitzger Brewing Company
Fullerton Lumber Company
Gamble-Skogmo, Inc.
M. A. Gedney Company
General Mills, Inc.
Green Giant Company
Theo. Hamm Brewing Company
Geo. A. Hormel & Co.
Hubbard Milling Company
Industrial Aggregate Co.
International Milling Company
Josten Manufacturing Company
Landers-Norblom-Christenson Co.
Maple Island, Inc.
Mayo Clinic
Maney Bros. Mill & Elevator Co.
Minneapolis Brewing Company
Minneapolis-Honeywell Regulator Co.
Minneapolis Star & Tribune Company
Minnesota Mining & Manufacturing Co.
Minnesota & Ontario Paper Co.
Munsingwear, Inc.
Nash-Finch Company
The B. F. Nelson Mfg. Co.
Northern Ordnance Inc.
Northrup-King & Company
Northwest Airlines, Inc.
W. S. Nott Company
Owatonna Canning Company
Owatonna Tool Co.
M. F. Patterson Dental Supply Co. of
Minnesota
F. H. Peavey & Company
The Pillsbury Company
Red Owl Stores, Inc.
Rochester Dairy Cooperative
St. Paul Terminal Warehouse Co.
J. L. Shiely Company
Super Valu Stores, Inc.
Toro Manufacturing Company
Waldorf Paper Products Company
Western Oil and Fuel Company
Wood Conversion Company

MONTREAL

Aluminum Company of Canada, Ltd.
Atlas Asbestos Company Limited
Belding Corticelli Limited
The Bell Telephone Co. of Canada
The Bristol Aeroplane Co. of Canada
(1956) Limited
Canada Cement Company Limited
Canadair Limited
Canadian Celanese Ltd.
Canadian General Transit Co. Ltd.
Canadian Industries Limited
Canadian International Paper Company
Canadian Marconi Company
Canadian Pratt & Whitney Aircraft
Company, Ltd.
Canadian Salt Co., Ltd.
Consolidated Paper Corporation Limited
Distillers Corporation—
Seagrams Limited
Dominion Bridge Company Limited
Dominion Engineering Works Limited

Dominion Glass Company Limited
Dominion Textile Company Limited
Du Pont Co. of Canada (1956) Ltd.
The Foundation Co. of Canada Limited
Henry Birks & Sons Ltd.
Howard Smith Paper Mills Limited
Imperial Tobacco Co. of Canada Limited
Molsons Brewery Limited
Northern Electric Company, Limited
Price Brothers & Company, Ltd.
Quebec Power Company
Rolls-Royce of Canada, Limited
Shawinigan Chemicals Limited
The Shawinigan Water and Power
Company
Southern Canada Power Co. Ltd.
Standard Chemical Limited
Steinberg's Limited
Thor Mills Limited

NEW YORK

ACF Industries, Inc.
The Aeroflex Corporation
American Corporation
Alexander's Department Stores, Inc.
Allied Chemical Corporation
Allied Maintenance Corporation
Allied Stores Corporation
Amerace Corporation
American Airlines
American Broadcasting-Paramount
Theatres, Inc.
American Bank Note Co.
American Can Company
American Chicle Company
American District Telegraph Co., Inc.
American Home Products Corp.
American Machine & Foundry Co.
American Management Association
American Metal Climax, Inc.
American News Co., Inc.
The American Oil Company
American Radiator & Standard Sanitary
Corp.
The American Thread Company
Anaconda Company
Anaconda Wire & Cable Company
Arabian American Oil Company
Associated Dry Goods Corp.
Avco Corporation
Avon Products, Inc.
The Babcock & Wilcox Company
Belk Stores, Inc.
Bell Telephone Laboratories
Berkshire-Hathaway, Inc.
Best Foods Division of Corn Products
Company
Bigelow-Sanford Carpet Co., Inc.
Blades & Macaulay
The Borden Company
Bristol Myers Company
Burlington Industries, Inc.
The California Oil Company
Canada Dry Corporation
John J. Casale, Inc.
Celanese Corporation of America
The Chase Manhattan Bank
The Chemstrand Corporation
Ciba States Limited
Cities Service Petroleum, Inc.
City Stores Mercantile Company, Inc.
Chilean Nitrate Sales Corporation
Clairol Incorporated
Coats & Clark's Sales Corporation
The Coca-Cola Export Corporation
Colgate-Palmolive Company
Columbian Carbon Company
Combustion Engineering, Inc.
Commercial Solvents Corporation
Commonwealth Services, Inc.
Congoleum-Nairn, Inc.
Consolidated Cigar Corp.
Consolidated Natural Gas Co.
Continental Can Company, Inc.
Continental Grain Company
Corporate Advisors, Inc.
Curtiss-Wright Corporation
Daystrom, Inc.
Diesel Vessel Operators, Inc.
Dugan Brothers, Inc.
Dow, Jones & Co., Inc.
Ebasco Services Incorporated
Esso Research and Engineering Company
Thomas A. Edison, Inc.
El Paso Natural Gas Company
Electrolux Corporation
Esso Standard Oil Company
Ethyl Corporation
Federal Paper Board Co., Inc.
The First National City Bank of
New York
The Firth Carpet Company
The Flintkote Company, Inc.
The F. & M. Schaefer Brewing Company
Foster-Wheeler Corp.
Robert Gair Co., Inc.—Division
of Continental Can Company, Inc.
Geigy Chemical Corporation
General Aniline & Film Corporation
General Baking Company
General Dynamics Corporation
General Electric Company
General Foods Corp.
Gibbs & Hill, Inc.
W. R. Grace & Company
Great Lakes Carbon Corporation
Guaranty Trust Company
S. Gumpert Co., Inc.
M. & M.'s Candies, A Division of
Food Manufacturers, Inc.
Hess, Inc.
Hewitt-Robins, Inc.
Imperial Color Chemical & Paper Corp.
International Business Machines Corp.
Interchemical Corp.
Johns-Manville Corp.
Johnson & Johnson
A. & M. Karagheusian, Inc.
Kennecott Copper Corporation
Kentile, Inc.
Keuffel & Esser Company
Knickerbocker Construction Co.
S. H. Kress & Co.
Lerner Stores Corp.
Lever Brothers Co.
Liggett & Myers Tobacco Co.
Lily-Tulip Cup Corp.
Luckenbach Steamship Company, Inc.
Thomas J. Lipton, Inc.
The Lummus Company
R. H. Macy & Co., Inc.
McKesson & Robbins, Incorporated
Manufacturers Trust Co.
Merritt-Chapman & Scott Corp.
Metal & Thermit Corp.
Philip Morris Incorporated
Muzak Corporation
National Biscuit Company
National Distillers and Chemical Corp.
National Starch Products, Inc.
The Nestle Company
J. J. Newberry Company
New York Herald-Tribune
Olin Mathieson Chemical Corporation
Otis Elevator Company
Pan American World Airways, Inc.
Pan American International Oil Co.
S. B. Penick & Co.
J. C. Penney Company, Inc.
Chas. Pfizer & Co., Inc.
Pitney-Bowes, Inc.
The Port of New York Authority
Refined Syrups & Sugars, Inc.
Reliance Manufacturing Company
Republic Aviation Corporation
Rheem Manufacturing Company
Riegel Paper Corporation
Seagram-Distillers Corp.
Shein's Express
The Sperry & Hutchinson Company

Sperry Rand Corporation
 Sperry Gyroscope Co.
 Standard Oil Company (New Jersey)
 J. P. Stevens & Co., Inc.
 Sun Chemical Corporation
 Sunshine Biscuits, Inc.
 Sylvania Electric Products, Inc.
 Union Bag-Camp Paper Corporation
 Union Carbide Corporation
 United Aircraft Corp.
 United Merchants & Manufacturers, Inc.
 U. S. Industries, Inc.
 United Parcel General Service Company
 United States Plywood Corporation
 United Whelan Corporation
 Universal Pictures Co., Inc.
 Vick Chemical Company
 Walworth Company
 West Chemical Products, Inc.
 Western Electric Company
 Westrex Corporation
 West Virginia Pulp & Paper Company
 Witco Chemical Company
 Worthington Corporation
 Yale Transport Corporation
 Ziff-Davis Publishing Company

NORTHERN CALIFORNIA

American Trust Company
 Guy F. Atkinson Company
 Bank of America NT & SA
 Bank of California, N.A.
 Bechtel Corporation
 California & Hawaiian Sugar Refining Corp. Ltd.
 California Packing Corporation
 California State Chamber of Commerce
 California State Dental Association
 California Self-Insurers Association
 Coast Service Company
 Consolidated Freightways, Inc.
 The Crocker-Anglo National Bank
 Crown Zellerbach Corp.
 Cutter Laboratories
 Department of Finance — State of California
 The Robert Dollar Company
 East Bay Municipal Utility District
 E. & J. Gallo Winery
 Fibreboard Products, Inc.
 The First Western Bank & Trust Company
 Foremost Dairies, Inc.
 Honolulu Oil Corporation
 Kaiser Companies
 Kaiser Engineers
 Kern County Land Co.
 Lando Products, Inc.
 Lenkurt Electric Company, Inc.
 Leslie Salt Company
 Long Stores
 Matson Navigation Company
 Mund, McLaurin & Company
 Pacific Gas & Electric Company
 The Pacific Telephone & Telegraph Company
 Pacific Intermountain Express Company
 Permanente Cement Company
 Port of Oakland
 Rudiger-Lang Company
 Safeway Stores, Inc.
 Southern Pacific Company
 Spreckels Sugar Company
 Standard Oil Company of California
 Swinerton & Walberg Company
 Transocean Air Lines
 The Union Ice Company
 Union Lumber Company
 United Air Lines, Inc.
 University of California
 Utah Construction & Mining Co.
 Wells Fargo Bank

The Western Pacific Railroad Company
 Wilbur-Ellis Company

OREGON

The Bank of California, N.A.
 Blitz Weinhard Company
 Columbia River Packers Association, Inc.
 The First National Bank of Portland
 Georgia-Pacific Corporation
 HYster Company
 Industrial Air Products Co.
 Jantzen, Inc.
 Fred Meyer, Inc.
 Northwest Natural Gas Company
 Oregon Pulp & Paper Company
 Terminal Ice & Cold Storage Company
 The United States National Bank
 West Coast Lumbermen's Association
 White Stag Manufacturing Co.
 Willamette Iron & Steel Company
 Zidell Machinery & Supply Co.

PITTSBURGH

Allegheny Ludlum Steel Corporation
 Aluminum Company of America
 Blaw-Knox Company
 Callery Chemical Company
 John F. Casey Company
 Consolidation Coal Company, Inc.
 Crucible Steel Company of America
 Dravo Corporation
 Duquesne Light Company
 Eastern Gas & Fuel Associates
 Edgewater Steel Company
 Eichleay Corporation
 Elliott Company
 Equitable Gas Company
 Fidelity Trust Company
 Fort Pitt Bridge Works
 Frick & Lindsay Company
 Gulf Oil Corporation
 Harbison-Walker Refractories Company
 H. J. Heinz Company
 Koppers Company, Inc.
 Mellon National Bank & Trust Company
 Mine Safety Appliances Company
 Mobay Chemical Co.
 G. C. Murphy Company
 The National Steel Corporation
 The National Supply Company
 The National-U.S. Radiator Corporation
 Neville Chemical Company
 Pennsylvania-Transformer Division of McGraw-Edison Company
 Pittsburgh Coke & Chemical Company
 Pittsburgh Forgings Company
 Pittsburgh Plate Glass Company
 Pittsburgh Screw & Bolt Corporation
 Pittsburgh Steel Company
 H. H. Robertson Company
 Rockwell Manufacturing Company
 Rockwell-Standard Corporation
 The Rust Engineering Company
 Schaefer Equipment Company
 United Engineering & Foundry Company
 Watson-Standard Company
 Weirton Steel Company
 West Penn Power Company
 Westinghouse Air Brake Company
 Westinghouse Electric Corporation
 Youngstown Sheet and Tube Company

SOUTHERN CALIFORNIA

American Potash & Chemical Corp.
 Aerojet General Corporation
 Arrowhead and Puritas Water Inc.
 Baker Oil Tools, Inc.
 Bekins Van & Storage Company

Belridge Oil Company
 Blue Diamond Corporation
 C. F. Braun & Co.
 California Bank
 Carnation Company
 Citizens National Bank
 Consolidated Rock Products Co.
 Consolidated Western Steel Division of U. S. Steel Corporation
 The Copley Press, Inc.
 Cyprus Mines Corporation
 Desilu Productions, Inc.
 Douglas Aircraft Company, Inc.
 Ehrhart & Associates, Inc.
 The Flintkote Company (Pioneer Division)
 The Fluor Corporation, Ltd.
 Forest Lawn Company
 The Garrett Corporation
 Garrett and Company, Inc.
 Convair — A Division of General Dynamics Corporation
 Gladding, McBean & Company
 Global Van Lines, Inc.
 Graham Brothers, Inc.
 The Alfred Hart Company
 Hunt Foods & Industries, Inc.
 Hughes Aircraft Company
 Kaiser Steel Corporation
 Loew's Incorporated
 Litchford Glass Company
 Lockheed Aircraft Corp.
 Marquardt Corporation
 The May Company
 The McCulloch Corporation
 Metropolitan Water District of Southern California
 Monolith Portland Cement Company
 North American Aviation, Inc.
 Northrop Corporation
 Owl Enterprises
 Pacific Airmotive Corporation
 Ramo-Woolridge Division
 Thompson Ramo Woolridge, Inc.
 Tidewater Oil Company
 Griffith Company
 Richfield Oil Corporation
 Rohr Aircraft Corporation
 San Gabriel Valley Water Co.
 Security First National Bank
 Signal Oil & Gas Company
 Southern California Edison Company
 Southern California Gas Co.
 Space Technology Laboratories, Inc.
 Sparkletts Drinking Water Corporation
 Sun Lumber Company
 Superior Oil Company
 Title Insurance and Trust Company
 Union Bank
 Union Oil Company of California
 United States Borax & Chemical Corp.
 Von's Grocery Company
 Western Airlines, Inc.
 M. H. Whittier Company

VIRGINIA-CAROLINA

American Enka Corporation
 Belk Stores, Inc.
 Burlington Industries, Inc.
 The Chesapeake Corporation of Virginia
 Duke Power Company
 Farmers Cooperative Exchanges, Inc.
 Larus & Brother Company, Inc.
 David M. Lea & Co., Inc.
 Miller & Rhoads, Inc.
 National Fruit Product Company, Inc.
 Newport News Shipbuilding & Drydock Co.
 Noland Company, Inc.
 Overnite Transportation Company
 RF & P Railroad Company
 Reynolds Metals Company
 Smith-Douglass Company
 Southern States Cooperative

Union Bag-Camp Paper Company
Virginia Department of Highways
Virginia Electric & Power Company

WASHINGTON

Alaska Packers Association
Boeing Airplane Company
General Construction Company
Halferty Canneries, Inc.
Ketchikan Pulp Company
New England Fish Company
Pacific American Fisheries, Inc.
Pacific Car and Foundry Company
Pacific Gamble Robinson Co.
Peoples National Bank of Washington
Pioneer Sand & Gravel Company
Puget Sound Bridge and Dredging Company
Puget Sound Power & Light Company
Seattle First National Bank
Simpson Timber Company
University Properties, Inc.
West Coast Airlines, Inc.
Weyerhaeuser Timber Company
Whiz Fish Products Company
Howard S. Wright Construction Company

WISCONSIN

Allen-Bradley Company
American Can Company
(Marathon Division)
Basic Products Corporation
Baso, Inc.
Briggs & Stratton Corporation
J. I. Case Company
Clark Oil & Refining Corporation
Cutler-Hammer, Inc.
Downing Box Company
First Wisconsin National Bank
Globe-Union, Inc.
Harnischfeger Corporation
The Heil Company
S. C. Johnson & Son, Inc.
Ladish Co.
Line Material Industries,
McGraw-Edison Company
Outboard Marine Corporation
Miller Brewing Company
Milprint, Inc.
Milwaukee Gas Light Co.
Milwaukee & Suburban Transport Corp.
Nekoosa-Edwards Paper Co.
Rhea Manufacturing Co.
Ed. Schuster & Co. Inc.
Schuster Construction Company
A. O. Smith Corporation
Wisconsin Bridge & Iron Company
Wisconsin Electric Power Co.

NON-CHAPTER MEMBERS

Alabama

The Ingalls Iron Works Company, Inc.
Morrison Cafeterias Consolidated Inc.
Vulcan Materials Company

Arizona

Hughes Aircraft Company

Arkansas

The Crossett Company

Colorado

Colorado Fuel & Iron Corp.

Florida

Mercury Motor Express, Inc.
Ryder System, Inc.

Illinois

Barber-Greene Company
Deere & Company
Granite City Steel Company
Sundstrand Machine Tool Company

Indiana

Insurance Audit & Inspection Co.
Studebaker-Packard Corporation

Iowa

The Rath Packing Company

Kansas

Boeing Airplane Company
(Wichita Division)
The Carey Salt Company

Louisiana

The California Company
Standard Fruit and Steamship Company
United Gas Corporation

Maine

Central Maine Power Company
Great Northern Paper Co.
John H. Magee

Massachusetts

Boston Housing Authority
C. H. Sprague & Son Company
Godfrey L. Cabot, Inc.
Howard D. Johnson Company

Michigan

Gerber's Baby Foods

Missouri

Anheuser-Busch, Inc.
Gaylord Container Corporation
Division of Crown Zellerbach Corp.
Panhandle Eastern Pipe Line Co.
Laclede Steel Company
May Department Stores Company
Monsanto Chemical Company
Standard Milling Company
The Seven-Up Company
Union Electric Company

New Jersey

Federal Pacific Electric Co.
Merck & Company Inc.

New York

Carrier Corporation
Cooperative Grange League Federation
Exchange, Inc.
Corning Glass Works

Mohasco Industries, Inc.
New York State Electric & Gas Corp.
Rochester Gas & Electric Corp.
Will & Baumer Candle Company

Ohio

The Ohio Oil Company

Oklahoma

Oklahoma Gas & Electric Company
Sunray Mid-Continent Oil Company

Pennsylvania

Aircraft-Marine Products, Inc.
Titan Metal Manufacturing Co.
Division of Cerro de Pasco Corp.

Rhode Island

Gorham Manufacturing Company

Tennessee

Hardwick Stove Company
Rich's Incorporated

Vermont

Central Vermont Public Service Corp.
The National Life Insurance Co. (*Property & Liability Insurance Dept.*)

Washington, D.C.

National Lumber Manufacturers
Association

West Virginia

Pennsylvania Glass Sand Corp.
Weirton Steel Company

Wisconsin

A. Geo. Schulz Company
Chain Belt Company
Fred Rueping Leather Company
The Kurth Malting Co.
Nordberg Manufacturing Co.

Canada

British Columbia Electric Co. Ltd.
Legrade Inc.
The Robert Simpson Co. Ltd.
Standard Chemical Limited
Western Canada Breweries Limited

FRANCE (Paris)

Standard Oil Company of New Jersey

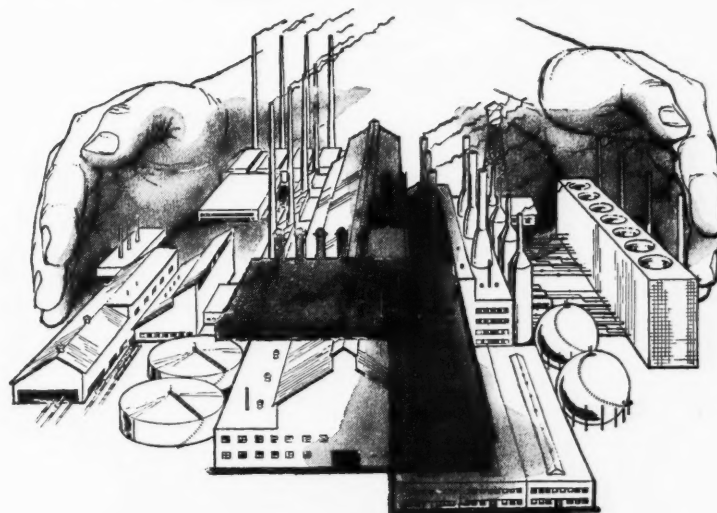
PUERTO RICO

Commonwealth Oil Refining Co. Inc.

VENEZUELA (Caracas)

Mr. William Cole

The risks of merger...



how to bring order to a
complex insurance problem

The very act of merger changes your corporate risks and liabilities as well as your employee benefit situation. Protection requirements of the new company inevitably differ from those of either predecessor. Result: a new and complex problem that demands immediate solution.

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